LOW KENG HUAT (SINGAPORE) LIMITED

ANNUAL REPORT 2023/2024

KLIMT CAIRNHILL

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CORPORATE PROFILE

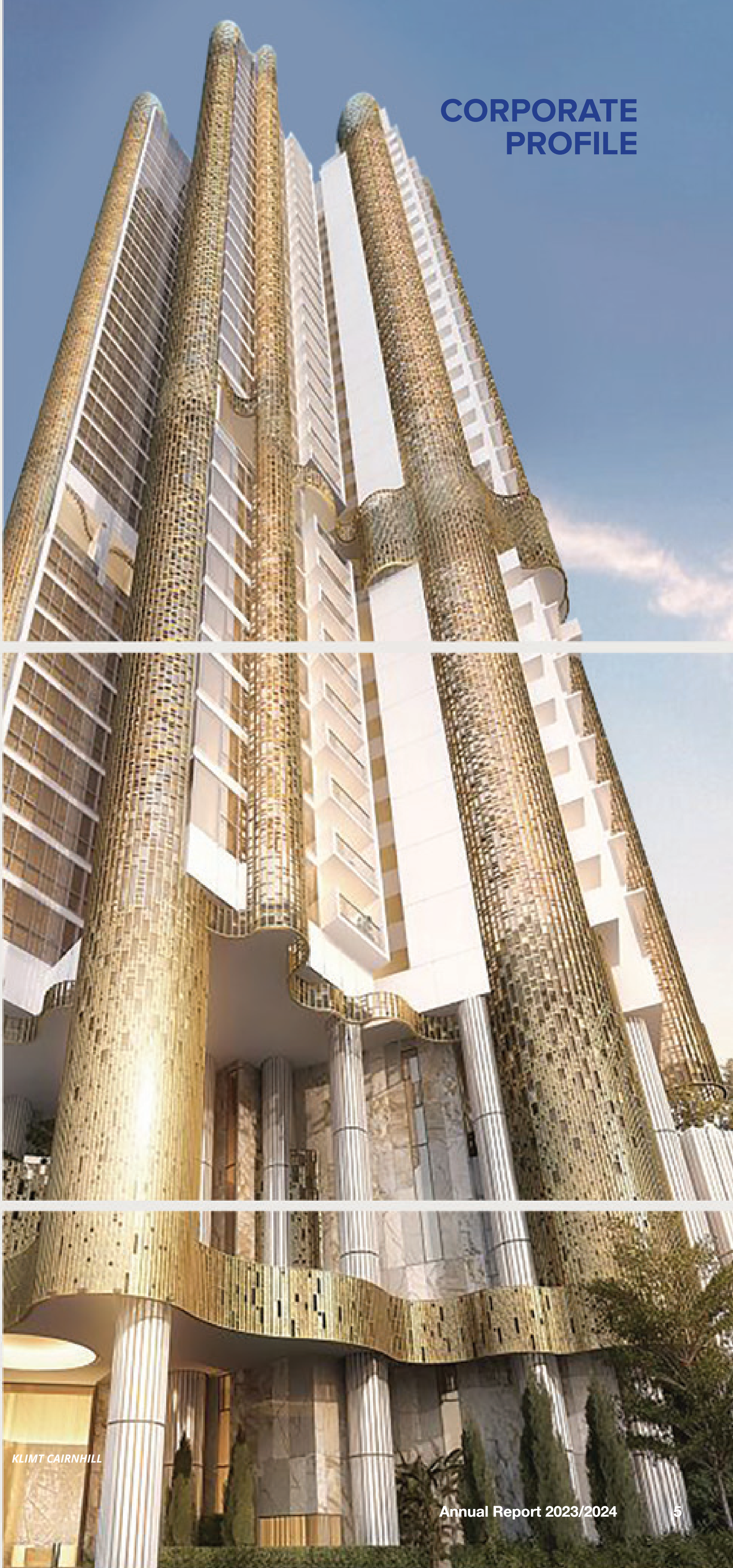
Established in 1969, Low Keng Huat (Singapore) Limited ("**LKHS**" or the "**Company**"), and its subsidiaries (the "**Group**"), has evolved from a general building construction company to a diversified player in the real estate sector. LKHS was listed on the Mainboard of the Singapore Exchange on 9 March 1992. Today, the Group's operations include construction, property development and investments.

The Group's construction arm primarily focuses on in-house development and investment projects. Major development projects in its portfolio include Klimt Cairnhill, Dalvey Haus, Uptown@Farrer, Kismis Residences, Parkland Residences, The Minton, Duchess Residences, One North Residences and Paya Lebar Square. Key investment properties for the Group include retail malls, namely Paya Lebar Square and BT Centre in Singapore.

Additionally, the Group owns serviced apartments in Singapore, namely Citadines Balestier and Lyf@ Farrer, both operated and managed by The Ascott Group. LKHS also owns and operates a luxury hotel in Perth (Australia) under the in-house brand, Duxton. Beyond real estate, the Group has a presence in the food and beverage industry through its in-house brand, Carnivore.

KLIMT CAIRNHILL

CORPORATE PROFILE



KLIMT CAIRNHILL

CHAIRMAN'S STATEMENT

"Management remains focused on maintaining a healthy balance sheet, reducing leverage, and exercising prudent capital management practices. A selective and strategic approach to new business acquisitions and investments remains a priority, with a focus on delivering sustainable returns for shareholders."

Low Keng Boon @ Lau Boon Sen
Executive Chairman

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present the annual report of Low Keng Huat (Singapore) Limited and its subsidiaries ("**the Group**") for the financial year ended 31 January 2024 ("**FY2024**").

REVIEW OF FINANCIAL YEAR

The Group achieved revenue of $367.7 million for the year, an increase by 278% from previous year's $97.3 million, mainly due to increased contributions from the Klimt Cairnhill project and improved performance from the hotel segment.

The revival of foreign interest in Singapore's luxury residential property sector, driven by the reopening of Chinese borders in early 2023, improved sales at Klimt Cairnhill and Dalvey Haus projects. However, new government cooling measures in April 2023, particularly impacting foreign buyers, moderated this surge.

On a positive note, Klimt Cairnhill sold all its larger units, comprising both penthouses and 4-bedroom units, while the Dalvey Haus project obtained its Certificate of Statutory Completion ("**CSC**") in December 2023. As of 21 March 2024, 100 (72.5%) of Klimt Cairnhill's units, and 13 (76.5%) of Dalvey Haus' units have been sold.

Our serviced apartments in Singapore and the hotel in Perth saw healthy room rates and occupancies, post-easing of travel restrictions. Paya Lebar Square, our retail mall, was fully occupied, with overall positive rental reversions.

Despite improved sales and performance, heightened interest rates and costs continued to dampen bottom-line recovery. The Group achieved a profit before fair value changes, other gains/(losses) and taxation of $7.6 million, a turnaround from last year's loss of $10.3 million. However, fair value losses on our investment in a limited partnership, along with foreign exchange losses, led to a net loss attributable to shareholders of $1.1 million for the year.

The Group's healthy operating cashflows adequately covered its debt service obligations and capital expenditure requirements, which included refurbishments at Duxton Hotel Perth and renovations for Carnivore Restaurant's new premises. Proceeds from Lyf@Farrer's mortgage were utilised to repay short-term borrowings, while funds generated from unit sales at Klimt Cairnhill were allocated for project loan repayment, resulting in an improved net gearing ratio.

KLIMT CAIRNHILL

PROPERTY DEVELOPMENT

Property development revenue increased to $297.3 million in FY2024 from $28.7 million in FY2023, driven by improved sales at the Klimt Cairnhill project. As of 31 January 2024, a total of 90 units of the project were sold, with 82 units sold in FY2024. Klimt Cairnhill was at a project completion stage of 58% as of 31 January 2024.

In FY2024, the share of profit from Dalvey Breeze Development Pte. Ltd., the Group's 40% associate, was $3.1 million. Dalvey Haus obtained Temporary Occupation Permit ("**TOP**") in July 2023 and Certificate of Statutory Completion ("**CSC**") in December 2023.

Net profit before tax and non-controlling interests was $11.2 million in FY2024, as compared to a net loss of $7.7 million in FY2023. This was driven by the improved sales performance at Klimt Cairnhill and Dalvey Haus, partially offset by an increase in finance costs from the higher interest rates.

HOTEL

Hotel revenue increased to $46.6 million in FY2024 from $38.8 million in FY2023, mainly due to Lyf@ Farrer, Citadines Balestier and Duxton Hotel Perth achieving higher average room income. Occupancy rates improved at Duxton Hotel Perth but were lower at Lyf@Farrer and Citadines Balestier. Overall, Revenue Per Available Room ("REVPAR") improved across all three properties.

Net loss before tax and non-controlling interests for the Hotel segment was $0.8 million in FY2024, compared to a net profit of $2.1 million in FY2023. Despite improved operating performance, incremental property income generated was offset by higher finance costs incurred due to heightened interest rates. In FY2023, a reversal of impairment loss on Citadines Balestier amounting to $2.4 million was recognised.

INVESTMENT

Investment revenue decreased to $23.8 million in FY2024 from $29.8 million in FY2023, mainly driven by lower construction revenue contribution from the Dalvey Haus project. The project obtained TOP in July 2023. The decrease in construction revenue was partially offset by an increase in revenue from Paya Lebar Square, which benefitted from higher average occupancy and average gross rent.

Net loss before tax and non-controlling interests for the Investment segment was $12.0 million in FY2024, as compared to a net loss of $24.6 million in FY2023. During the year, segment performance was impacted by a fair value loss on its financial assets at FVPL, higher finance costs, impairment losses on associated companies and joint ventures, as well as foreign exchange losses.

CHAIRMAN'S STATEMENT

DIVIDENDS

The Board is pleased to recommend a first and final dividend of 1.5 cents per share. The dividend is tax exempt (one-tier), and total dividend payment will amount to approximately $11.1 million. This dividend recommendation is subject to the approval of shareholders at the Annual General Meeting to be held on 31 May 2024. The proposed dividend, if approved by shareholders, will be paid on 21 June 2024.

OUTLOOK

Amidst economic uncertainties and elevated interest rates, the Group remains committed to completing and selling its existing residential projects. Our serviced apartments in Singapore and the Perth hotel are performing well post relaxation of travel restrictions. However, growth in demand for serviced apartments is expected to moderate this year, due to an anticipated increase in hotel supply and heightened competition from regional destinations, although a recovery in tourist arrivals is expected. An initiative is underway to enhance Duxton Hotel, ensuring its competitiveness. Paya Lebar Square continues to maintain full occupancy, with its operating performance poised to remain stable throughout FY2025.

While challenges persist due to heightened interest rates and cost pressures, projected interest rate cuts in 2024 could alleviate pressure for the Group. Management remains focused on maintaining a healthy balance sheet, reducing leverage, and exercising prudent capital management practices.

A selective and strategic approach to new business acquisitions and investments remains a priority, with a focus on delivering sustainable returns for shareholders.

APPRECIATION

Mr. Jimmy Yim Wing Kuen will be retiring from the Board, and I wish to express sincere appreciation on behalf of the Board for his invaluable advice and contributions during his 15-year tenure as a Board member.

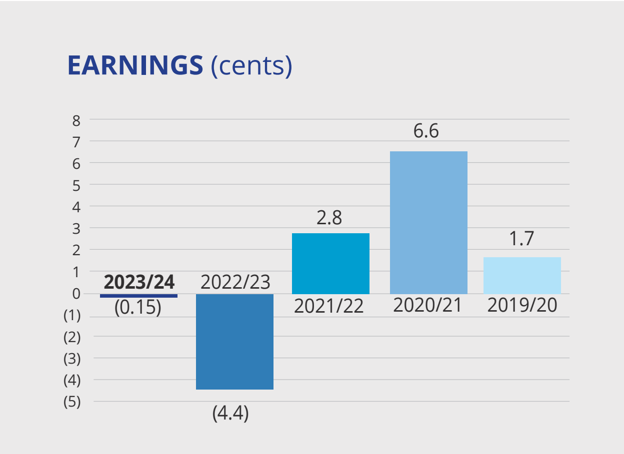
Also, I am pleased to introduce Mr. Jason Eng as a new independent director of the Company. Mr. Eng, Partner; General Counsel and Chief Compliance Officer of Dymon Asia Capital (Singapore) Pte. Ltd., brings a wealth of experience and knowledge. His presence is expected to enhance value to the Group, and we eagerly await his guidance and support.

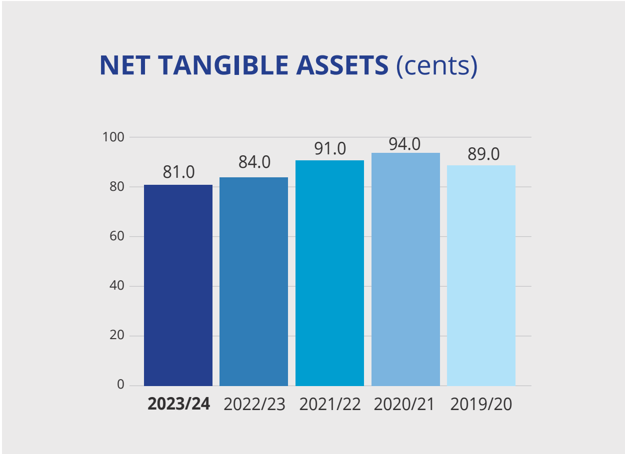
On behalf of the Board, I would like to express my sincere appreciation to our stakeholders, including our shareholders, customers, and business associates for their continued support of the Group and to the management and staff of the Group for their hard work, dedication, and commitment in the past year.

Low Keng Boon @ Lau Boon Sen
Executive Chairman

DALVEY HAUS

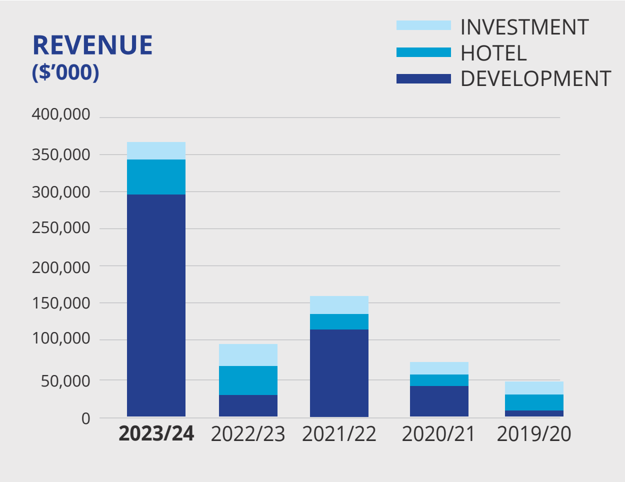
5 YEARS FINANCIAL HIGHLIGHTS

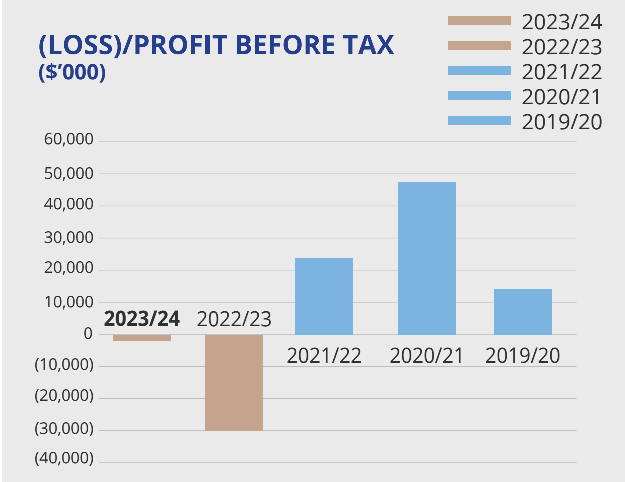


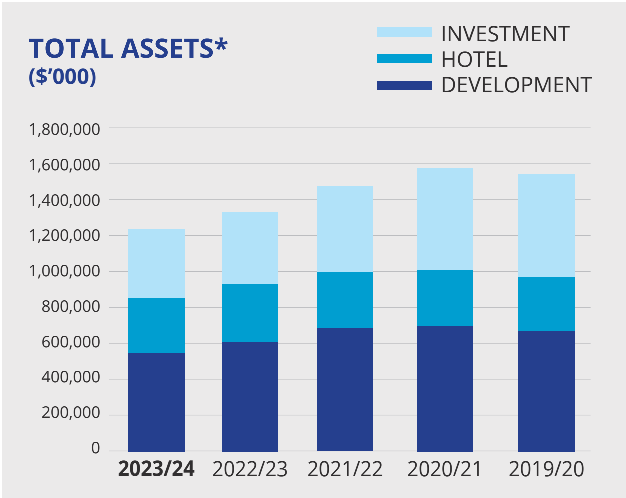


FINANCIAL YEAR	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020
OPERATING RESULTS					
Revenue ($'000)	367,680	97,267	161,638	73,351	46,710
EBITDA ($'000)	37,329	408	45,198	69,155	30,463
Pretax (loss)/profit ($'000)	(1,668)	(30,255)	22,987	48,741	13,708
Net (loss)/profit ($'000)	(1,030)	(31,896)	20,407	47,872	12,198
EBITDA margin (%)	10.2%	0.4%	28.0%	94.3%	65.2%
Pretax margin (%)	(0.5%)	(31.1%)	14.2%	66.4%	29.3%
Net margin (%)	(0.3%)	(32.8%)	12.6%	65.3%	26.1%
FINANCIAL POSITION					
Total assets ($'000)	1,215,993	1,308,722	1,446,943	1,548,649	1,511,942
Total borrowings ($'000)	547,446	624,319	718,176	737,122	740,408
Shareholders' equity ($'000)	609,721	622,414	671,073	695,539	657,013
Net debt: equity (times)	0.76	0.92	0.88	0.94	1.03
PER SHARE DATA					
Earnings (cents)	(0.15)	(4.4)	2.8	6.6	1.7
Dividends (cents)	1.5	1.0	2.0	2.5	1.5
Net tangible assets (cents)	81.0	84.0	91.0	94.0	89.0
Year end share price (cents)	33.0	41.0	44.5	40.0	43.0
SHAREHOLDERS' RETURN					
Return on equity (%)	(0.2%)	(5.1%)	3.0%	6.9%	1.9%
Return on asset (%)	(0.1%)	(2.4%)	1.4%	3.1%	0.8%
Dividend yield (%)	4.5%	2.4%	4.5%	6.3%	3.5%
Dividend payout ratio (%)	(1,000.0%)	(22.8%)	71.4%	37.9%	88.2%

5 YEARS FINANCIAL HIGHLIGHTS







FINANCIAL YEAR	2023/2024 ($'000)	2022/2023 ($'000)	2021/2022 ($'000)	2020/2021 ($'000)	2019/2020 ($'000)
REVENUE					
Development	297,320	28,687	116,597	40,585	8,020
Hotel	46,580	38,766	20,365	16,027	20,986
Investment	23,780	29,814	24,676	16,739	17,704
Total	367,680	97,267	161,638	73,351	46,710
(LOSS)/PROFIT BEFORE TAX					
Development	11,164	(7,688)	(36)	(1,495)	(1,687)
Hotel	(825)	2,060	(1,755)	(6,711)	12,602
Investment	(12,007)	(24,627)	24,778	56,947	2,793
Total	(1,668)	(30,255)	22,987	48,741	13,708
TOTAL ASSETS*					
Development	541,100	611,969	673,951	683,894	655,728
Hotel	298,630	302,743	304,440	304,306	297,645
Investment	374,055	393,068	468,344	559,385	557,789
Total	1,213,785	1,307,780	1,446,735	1,547,585	1,511,162

* Excluding deferred tax assets and any GST receivables

REVENUE

Consolidated revenue increased to $367.7 million for the financial year ended 31 January 2024 ("**FY2024**") from $97.3 million for the financial year ended 31 January 2023 ("**FY2023**"). The increase was mainly due to a higher contribution from the Property Development segment, driven by improved sales at the Klimt Cairnhill project, as well as better performance from the Hotel segment due to improved room rates.

Revenue from the Property Development segment increased to $297.3 million in FY2024 from $28.7 million in FY2023. Sales at Klimt Cairnhill saw an increase, with 82 units sold, as compared to only 5 units sold in the prior year. The sale of the final 4 units at Uptown@Farrer (out of 116 units) also contributed to the revenue of the Property Development segment in FY2023.

Revenue from the Hotel segment increased to $46.6 million in FY2024 from $38.8 million in FY2023, driven mainly by higher average room incomes at Lyf@Farrer, Citadines Balestier and Duxton Hotel Perth. Although occupancy rates improved at Duxton Hotel Perth, there was a decline in occupancy rates at Lyf@Farrer and Citadines Balestier. Overall, Revenue Per Available Room ("**REVPAR**") improved year-on-year for the two serviced apartments and the hotel.

Revenue from the Investment segment decreased to $23.8 million in FY2024 from $29.8 million in FY2023. The decrease was mainly due to the lower construction revenue from the Dalvey Haus project, which obtained Temporary Occupation Permit ("**TOP**") in July 2023 and Certificate of Statutory Completion ("**CSC**") in December 2023. However, higher revenue generated at Paya Lebar Square from improved occupancy rates and gross rent (per square foot) partially mitigated this decline.

COST OF SALES

Cost of sales increased to $307.6 million in FY2024 from $72.5 million in FY2023. The increase in cost of sales was mainly attributed to the increase in number of units sold at Klimt Cairnhill. However, the higher cost of sales was partially offset by a decrease in construction costs at Dalvey Haus, due to the project's completion halfway through the financial year.

GROSS PROFIT

Gross profit increased to $60.1 million in FY2024 from $24.7 million in FY2023, mainly driven by the increased sales at Klimt Cairnhill and higher contributions from the Group's hospitality assets.

However, gross profit margins decreased to 16% in FY2024 from 25% in FY2023, due to the higher percentage of total gross profit contributed by the Property Development segment, which generated lower margins as compared to the Hotel and Investment segments.

OTHER INCOME

Finance income increased to $1.7 million in FY2024 from $0.5 million in FY2023, due to the higher fixed deposit base and interest rates in FY2024, as compared to the prior year. Other operating income increased to $4.0 million in FY2024 from $2.8 million in FY2023.

CARNIVORE RESTAURANT @ ROBERTSON QUAY

OPERATING & FINANCIAL REVIEW

Other operating income mainly consisted of service and secondment fee, dividend income and deposits from customers forfeited. The higher income generated in FY2024 was mainly due to an increase in service and secondment fee charged to a joint venture.

DISTRIBUTION COSTS, ADMINISTRATIVE COSTS, FINANCE COSTS AND OTHER OPERATING EXPENSES

Distribution costs increased to $16.9 million in FY2024 from $3.0 million in FY2023, mainly due to higher sales agents' commission incurred for the improved sales at Klimt Cairnhill.

Administrative costs increased to $14.3 million in FY2024 from $13.6 million in FY2023. The increase was mainly driven by higher salaries and wages, as well as increased management fees incurred (to the serviced apartment operator) for Citadines Balestier and Lyf@Farrer, due to the higher revenue and operating profits generated for these properties.

However, the increase was partially offset by lower legal and professional fees incurred during the year. In FY2023, legal and professional fees were incurred for the disposal of stake in an associate, PRE 13 Pte Ltd ("**PRE13**").

Finance costs increased to $27.5 million in FY2024 from $18.1 million in FY2023, due to higher loan interest rates, albeit a decline in borrowings. Effective interest rate for the Group's borrowings was 4.56% in FY2024 as compared to 2.93% in FY2023.

Other operating expenses increased to $2.1 million in FY2024 from $1.5 million in FY2023, mainly due to higher hotel maintenance and utilities expenses.

SHARE OF RESULTS OF JOINT VENTURES AND ASSOCIATED COMPANIES

Share of results of joint ventures and associated companies was a profit of $2.8 million in FY2024, a turnaround from a loss of $2.2 million in FY2023. This was mainly driven by an improved performance from the Group's 40% associate Dalvey Breeze Development Pte. Ltd. ("**Dalvey Breeze**") in FY2024. Notably, 9 units at Dalvey Haus were sold during FY2024, bringing total sales for the project to 13 units as at 31 January 2024, as compared to 4 units sold as at 31 January 2023.

FAIR VALUE LOSS ON FINANCIAL ASSETS AT FVPL

Fair value loss on financial assets at FVPL increased to $7.5 million in FY2024, compared to $1.2 million in FY2023. The increase was due to lower valuations on the properties held under the Group's 41% investment in HThree City Australian Commercial Fund 3 LP.

NET LOSS ATTRIBUTABLE TO SHAREHOLDERS

Net loss attributable to shareholders was $1.1 million in FY2024, as compared to a net loss of $32.3 million in FY2023. The reduction of net loss in FY2024 was mainly driven by the improved property sales and operating performance of the Group's hospitality assets. Despite facing higher interest

DALVEY HAUS

expenses, the Group managed to achieve a profit before fair value changes, other gains / (losses) and taxation of $7.6 million, which was a turnaround from a loss of $10.3 million in the previous year. However, profits generated from its core business were offset by fair value losses on financial assets at FVPL, as well as the foreign exchange losses, resulting in a net loss for the year.

In FY2023, the net loss was mainly due to the $23.3 million loss recognised on the disposal of investment in associates, partially mitigated by the $4.8 million gain on the early repayment of shareholder's loan owing by PRE13. Excluding these one-off losses, the net loss attributable to shareholders in FY2023 would have been $13.8 million.

INVESTMENT PROPERTIES

The net book value of investment properties decreased by $2.7 million to $290.0 million as at 31 January 2024 from $292.7 million as at 31 January 2023. Depreciation expense of $3.7 million was partially offset by a reclassification of 2 office units at Parkway Parade from property, plant and equipment to investment properties, as these units were rented out to third parties. These office units had a net book value of $0.9 million as at 31 January 2023.

PROPERTY, PLANT AND EQUIPMENT

The net book value of property, plant and equipment decreased by $3.8 million to $294.5 million as at 31 January 2024 from $298.3 million as at 31 January 2023, mainly due to depreciation expense of $7.8 million, foreign exchange loss of $1.2 million and the reclassification detailed under Investment Properties above. The decrease was partially offset by additions of $6.1 million, mainly from ongoing refurbishment works at Duxton Hotel Perth and renovations at Carnivore Restaurant's new location.

JOINT VENTURES AND ASSOCIATED COMPANIES

Joint ventures decreased by $0.9 million to $9.4 million as at 31 January 2024 from $10.3 million as at 31 January 2023 mainly due to impairment and foreign exchange losses recognised on the Group's Malaysian joint venture.

Associated companies increased by $3.2 million to $30.3 million as at 31 January 2024 from $27.1 million as at 31 January 2023, mainly due to the share of $3.1 million profit from Dalvey Breeze and shareholders' loans of $2.0 million extended to associated companies in FY2024. The increase was offset by impairment and foreign exchange losses recognised on the Group's Malaysian associate.

FINANCIAL ASSETS AT FVOCI AND FINANCIAL ASSETS AT FVPL

Financial assets at FVOCI decreased by $0.5 million to $4.7 million as at 31 January 2024 from $5.2 million as at 31 January 2023 due to fair value changes to the Group's investment in quoted equity investments.

Financial assets at FVPL decreased by $8.2 million to $28.1 million as at 31 January 2024 from $36.3 million as at 31 January 2023, due to a $7.5 million fair value loss and $1.5 million foreign exchange losses recognised in FY2024, partially offset by the

DUXTON HOTEL PERTH

capital contributions of $0.8 million made during the year. The decrease in fair value primarily stemmed from the challenging macroeconomic conditions and elevated interest rates, which impacted the capitalisation rates for Australian commercial real estate. Consequently, this led to reduced valuations for the properties involved. Foreign exchange losses was driven by the further depreciation of AUD against SGD in FY2024.

DEVELOPMENT PROPERTIES

Development properties decreased by $222.5 million to $321.3 million as at 31 January 2024 from $543.8 million as at 31 January 2023. The decrease was mainly due to the sale of 82 units at Klimt Cairnhill in FY2024, partially offset by the progress of construction completion, reaching 58% as at 31 January 2024, up from 31% as at 31 January 2023. As at 31 January 2024, 90 total units at Klimt Cairnhill were sold (out of 138 units) as compared to 8 units as at 31 January 2023.

CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS

Cash and cash equivalents and fixed deposits increased by $33.3 million to $83.7 million as at 31 January 2024 from $50.4 million as at 31 January 2023. The increase was mainly due to improved cashflows from operations and proceeds obtained from the mortgage of Lyf@Farrer. During FY2024, the Group also reduced its borrowings, and placed its cash in short-term fixed deposits.

BORROWINGS

Borrowings decreased by $76.9 million to $547.4 million as at 31 January 2024 from $624.3 million as at 31 January 2023. Loan proceeds from the mortgage of Lyf@Farrer were used to pare down short-term borrowings. In addition, part of the proceeds from the sale of units at Klimt Cairnhill were used to prepay project loans. As a result, net gearing ratio improved to 0.76 as at 31 January 2024 from 0.92 as at 31 January 2023.

CITADINES BALESTIER

CARNIVORE RESTAURANT @ ROBERTSON QUAY


KLIMT CAIRNHILL - SHOWFLAT

A. DEVELOPMENT PROJECTS ON HAND	LOCATION	LKH'S SHARE (%)	TYPE	NO. OF UNITS	STATUS
1. Klimt Cairnhill	71 Cairnhill Road	100	Freehold Condominium	138	Expected TOP in Q1 FY2026
2. Dalvey Haus	101 Dalvey Road	40	Freehold Condominium	17	TOP in July 2023
3. Bina Park	Jalan Bina 1, Bina Park, Bandar Seri Alam, Johor	49	3-Storey shops with sub-basement	31	• Launched in January 2012 • 27 units sold • 2 units held for own use • 2 units unsold
4. Taman Rinting	Taman Rinting	49	Landed Bungalows	20	Planning Stage

B. KEY INVESTMENT PROPERTIES	LOCATION	LKH'S SHARE (%)	TYPE	NO. OF UNITS	STATUS
1. Paya Lebar Square	60 Paya Lebar Road	100	Retail mall	159	As at 31 January 2024, 100% leased.
2. BT Centre	207 Balestier Road	100	Commercial retail units	31	As at 31 January 2024, 28 units leased, with remaining 3 units held for own use.

C. PROPERTY, PLANT AND EQUIPMENT	LOCATION	LKH'S SHARE (%)	TYPE	NO. OF UNITS	STATUS
1. Duxton Hotel Perth	No. 1 St Georges Terrace	75	Hotel	306	Average occupancy of approximately 68% in FY2024.
2. Citadines Balestier	207 Balestier Road	100	Serviced apartment	166	Average occupancy of approximately 88% in FY2024.
3. Lyf @ Farrer	2 Perumal Road	100	Serviced apartment	240	Average occupancy of approximately 78% in FY2024.

D. LAND BANK	LOCATION	LKH'S SHARE (%)	AREA (SQF)	USE
1. Bina Park	Bandar Seri Alam, Johor	49	66,137	Hotel Land Planning Stage
2. Unnamed	Bandar Seri Alam, Johor	49	3,330,996	Proposed Bungalow Lots Planning Stage
3. Tiram Park	Jalan Kota Tinggi, Johor	49	6,528,337	Proposed Industrial Development
4. Unnamed	Bandar Seri Alam, Johor	49	616,453	Proposed Mixed Commercial Development

CORPORATE INFORMATION

BOARD OF DIRECTORS

Low Keng Boon @ Lau Boon Sen
(Executive Chairman)

Dato' Marco Low Peng Kiat
(Managing Director)

Low Poh Kuan
(Executive Director)

Alvin Teo Poh Kheng
(Executive Director)

Jimmy Yim Wing Kuen
(Lead Independent, Non-Executive Director)

Chris Chia Woon Liat
(Independent, Non-Executive Director)

Michael Leong Choon Fai
(Independent, Non-Executive Director)

Cheo Chai Hong
(Independent, Non-Executive Director)

Jason Eng
(Independent, Non-Executive Director)

AUDIT COMMITTEE

Jimmy Yim Wing Kuen (Chairman)
Chris Chia Woon Liat
Cheo Chai Hong

NOMINATING COMMITTEE

Cheo Chai Hong *(Chairman)*
Jimmy Yim Wing Kuen
Chris Chia Woon Liat
Low Keng Boon @ Lau Boon Sen
Dato' Marco Low Peng Kiat

REMUNERATION COMMITTEE

Michael Leong Choon Fai *(Chairman)*
Jimmy Yim Wing Kuen
Chris Chia Woon Liat
Dato' Marco Low Peng Kiat

COMPANY SECRETARY

Alvin Tan Teck Loon
FCA (Singapore)

AUDITORS

External Auditor
Foo Kon Tan LLP
Chartered Accountants
1 Raffles Place
#04-61 One Raffles Place (Tower 2)
Singapore 048616
Partner-in-charge: Ong Soo Ann
(Year of appointment: Financial year ended 31 January 2022)

Internal Auditor
NLA Risk Consulting Pte Ltd
143 Cecil Street
#17-03 GB Building
Singapore 069542
Director-in-charge: Gary Ng

BANKERS

United Overseas Bank Limited
DBS Bank Limited
Oversea-Chinese Banking Corporation Limited
Malayan Banking Berhad
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited

SHARE REGISTRARS & SHARE TRANSFER OFFICE

KCK CorpServe Pte. Ltd.
1 Raffles Place
#04-63 One Raffles Place (Tower 2)
Singapore 048616

REGISTERED OFFICE

80 Marine Parade Road
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Fax: +65 6345 7841
Website: https://www.lkhs.com.sg

LISTING

The Company's ordinary shares are listed and traded on the Mainboard of the Singapore Exchange Securities Trading Limited.

MR LOW KENG BOON @ LAU BOON SEN
Executive Chairman

- **Date of first appointment as a Director**
  14 April 1969
- **Date of appointment as Chairman**
  25 March 2019
- **Date of last re-election as a Director**
  31 May 2023
- **Length of service as a director**
  (as at 31 January 2024)
  54 years 10 months
- **Low Keng Huat (Singapore) Limited Board Committee Membership:**
  Nominating Committee *(Member)*
- **Academic & Professional Qualification:**
  Chung Ling High School
- **Present Directorships in other listed companies:**
  Nil
- **Major Appointments / Principal Commitments:**
  Nil
- **Past Directorships in other listed companies over the preceding five years:**
  Nil

DATO' MARCO LOW PENG KIAT
Managing Director

- **Date of first appointment as a Director**
  7 November 2006
- **Date of last re-election as a Director**
  31 May 2021
- **Length of service as a director**
  (as at 31 January 2024)
  17 years 3 months
- **Low Keng Huat (Singapore) Limited Board Committee Membership:**
  • Nominating Committee *(Member)*
  • Remuneration Committee *(Member)*
- **Academic & Professional Qualification:**
  Bachelor of Science in Management & Systems from City University, England
- **Present Directorships in other listed companies:**
  Nil
- **Major Appointments / Principal Commitments:**
  Nil
- **Past Directorships in other listed companies over the preceding five years:**
  Nil

BOARD OF DIRECTORS

MR LOW POH KUAN
Executive Director

- **Date of first appointment as a director**
  5 April 2004
- **Date of last re-election as a director**
  31 May 2022
- **Length of service as a director**
  (as at 31 January 2024)
  19 years 10 months
- **Low Keng Huat (Singapore) Limited Board Committee Membership:**
  Nil
- **Academic & Professional Qualification:**
  Bachelor of Science in Marketing and Economics from the University of Indiana, Bloomington, USA
- **Present Directorships in other listed companies:**
  Nil
- **Major Appointments / Principal Commitments:**
  Nil
- **Past Directorships in other listed companies over the preceding five years:**
  Nil

MR ALVIN TEO POH KHENG
Executive Director

- **Date of first appointment as a director**
  5 April 2021
- **Date of last re-election as a director**
  31 May 2023
- **Length of service as a director**
  (as at 31 January 2024)
  2 year 10 months
- **Low Keng Huat (Singapore) Limited Board Committee Membership:**
  Nil
- **Academic & Professional Qualification:**
  - Bachelor of Science in Estate Management (Hons) from The National University of Singapore
  - Diploma in Marketing Management from Singapore Institute of Management
  - Postgraduate Diploma in Marketing from The Chartered Institute of Marketing
  - Member of The Chartered Institute of Marketing
  - Member of Singapore Institute of Surveyors and Valuers
- **Present Directorships in other listed companies:**
  Nil
- **Major Appointments / Principal Commitments:**
  - Chairman of MCST 4311, Paya Lebar Square
  - Treasurer of MCST 4774, Uptown@Farrer
  - Member of School Management Committee, Assumption English School
- **Past Directorships in other listed companies over the preceding five years:**
  Nil

MR JIMMY YIM WING KUEN
Non-Executive Lead Independent Director

- **Date of first appointment as a director**
  1 March 2009

- **Date of last re-election as a director**
  31 May 2021

- **Length of service as a director**
  (as at 31 January 2024)
  14 years 11 months

- **Low Keng Huat (Singapore) Limited Board Committee Membership:**
  - Audit Committee *(Chairman)*
  - Nominating Committee *(Member)*
  - Remuneration Committee *(Member)*

- **Academic & Professional Qualification:**
  - LL.B. (Hons), National University of Singapore
  - LL.M., National University of Singapore
  - Advocate & Solicitor, Singapore
  - Solicitor, England & Wales
  - Appointed Senior Counsel
  - Appointed Regional Arbitrator by the Singapore International Arbitration Centre

- **Present Directorships in other listed companies:**
  KOP Limited

- **Major Appointments / Principal Commitments:**
  Drew & Napier LLC *(Chairman)*

- **Past Directorships in other listed companies over the preceding five years:**
  - ARA Logos Logistics Trust Management Limited (f.k.a ARA-CWT Trust Management (CACHE) Limited)
  - Singapore Medical Group Limited

MR CHRIS CHIA WOON LIAT
Non-Executive Independent Director

- **Date of first appointment as a director**
  12 September 2018

- **Date of last re-election as a director**
  31 May 2022

- **Length of service as a director**
  (as at 31 January 2024)
  5 years 5 months

- **Low Keng Huat (Singapore) Limited Board Committee Membership:**
  - Audit Committee *(Member)*
  - Nominating Committee *(Member)*
  - Remuneration Committee *(Member)*

- **Academic & Professional Qualification:**
  - Bachelor of Commerce from University of Western Australia (Major in Accounting and Finance)
  - Bachelor of Commerce (Honours) from University of Western Australia (Major in Accounting)
  - Master of Accounting from University of Western Australia
  - Master of Business Administration from MIT Sloan School of Management
  - Master of Liberal Arts from Harvard University

- **Present Directorships in other listed companies:**
  Malaysia Airports Holdings Berhad
  (Independent Non-Executive Director)

- **Major Appointments / Principal Commitments:**
  - Druk Holding & Investments Limited *(Advisor)*
  - Penjana Kapital Sdn Bhd *(Director)*
  - Malaysia Airports Holdings Berhad *(Independent Non-Executive Director)*

- **Past Directorships in other listed companies over the preceding five years:**
  Nil

BOARD OF DIRECTORS

MR MICHAEL LEONG CHOON FAI
Non-Executive Independent Director

- **Date of first appointment as a director**
  7 December 2018

- **Date of last re-election as a director**
  31 May 2023

- **Length of service as a director**
  (as at 31 January 2024)
  5 years 2 months

- **Low Keng Huat (Singapore) Limited Board Committee Membership:**
  Remuneration Committee *(Chairman)*

- **Academic & Professional Qualification:**
  - EMP Certificate, Singapore University of Social Sciences
  - GCERT Property, University of Newcastle, Australia

- **Present Directorships in other listed companies:**
  Nil

- **Major Appointments / Principal Commitments:**
  Nil

- **Past Directorships in other listed companies over the preceding five years:**
  Nil

MR CHEO CHAI HONG
Non-Executive Independent Director

- **Date of first appointment as a director**
  7 December 2018

- **Date of last re-election as a director**
  31 May 2022

- **Length of service as a director**
  (as at 31 January 2024)
  5 years 2 months

- **Low Keng Huat (Singapore) Limited Board Committee Membership:**
  - Nominating Committee *(Chairman)*
  - Audit Committee *(Member)*

- **Academic & Professional Qualification:**
  Bachelor of Business Administration (Hons) degree from University of Singapore

- **Present Directorships in other listed companies:**
  Nil

- **Major Appointments / Principal Commitments:**
  - The Anglo-Chinese Schools Foundation Ltd *(Director)*
  - ACS Old Boys Association *(Member)*
  - The Anglo-Chinese School (International) Singapore *(Board of Management)*

- **Past Directorships in other listed companies over the preceding five years:**
  Nil

MR JASON ENG
Non-Executive Independent Director

- **Date of first appointment as a director**
  27 March 2024

- **Date of last re-election as a director**
  N.A.

- **Length of service as a director (as at 31 January 2024)**
  N.A.

- **Low Keng Huat (Singapore) Limited Board Committee Membership:**
  Nil

- **Academic & Professional Qualification:**
  - LLB (Second Upper Class Honors) from University College London
  - Graduate Diploma in Singapore Law (Merit) from National University of Singapore
  - Graduate Diploma in Financial Management from Singapore Institute of Management

- **Present Directorships in other listed companies:**
  Nil

- **Major Appointments / Principal Commitments:**
  Dymon Asia Capital (Singapore) Pte Ltd
  (Partner; General Counsel and Chief Compliance Officer)

- **Past Directorships in other listed companies over the preceding five years:**
  Nil

KEY MANAGEMENT

LEE YOON MOI
Chief Operating Officer

Mr Lee Yoon Moi is responsible for all construction and development activities undertaken by the Group. He is also appointed as the Management Representative overseeing the development, implementation and maintenance of the Company's ISO Quality Assurance Program. Prior to joining LKHS in 1990, he was the General Manager of Construction Technology Pte Ltd (Contech), a wholly government owned construction company set up to spearhead modernisation and mechanisation in the construction industry.

Mr Lee has a Bachelor of Civil Engineering degree (First Class Honours) from the then University of Singapore and a Master of Engineering degree from McGill University, Montreal, Canada.

ALVIN TAN TECK LOON
Chief Financial Officer

Mr Alvin Tan joined the Company in July 2022 as its Chief Financial Officer. He has over two decades of experience in financial services, credit risk and strategic financial analysis in banking institutions, corporate finance and rating agencies. Prior to joining the Company, he worked in several banks in Singapore, which include First Abu Dhabi Bank, Credit Suisse and Sumitomo Mitsui Banking Corporation. He was also an analyst for the property sector in Moody's.

Mr Tan is a Fellow Chartered Accountant of Singapore. He graduated with a Bachelor of Accountancy from Nanyang Technological University of Singapore.

LOW CHIN HAN
Director – Investments & Hospitality & Chief Sustainability Officer

Mr Low Chin Han is involved with the Property Investment division of the Group overseeing the investment and hospitality assets. He is also the Chief Sustainability Officer and is responsible for the sustainability efforts of the Group. During his time, he has successfully guided the Group's divestment out of Vietnam and Westgate Towers.

Mr Low graduated with a Bachelor of Business Management majoring in finance in 2003 from Singapore Management University. Prior to working for Duxton Hotels, he worked with several investment banks in Singapore and Hong Kong in both debt and equity capital markets.

LOW POH KOK
Business Development Director & Chief Technology Officer

Mr Low Poh Kok joined the Company in July 2004. Prior to that, he worked in the United States of America for 8 years as a project manager for an IT company. He was promoted to Business Development Director on 1 February 2021. With his additional role as Chief Technology Officer, he is also responsible for the Group's digital transformation to enhance productivity and efficiency, streamline processes and improve supply chain management. During his two decades with the Company, he has worked across the Company's various businesses that have enabled him to gain considerable experience and build up extensive networks, allowing him to perform multiple roles within the Group's business segments in hospitality, property development and property management. He brings to the Company his overseas experiences and project management skills.

Mr Low has a Diploma in Business Studies from Ngee Ann Polytechnic and a Bachelor of Science in Computer Information System from Indiana University at Bloomington, USA.

DAVID LEONG SOON KUEN
General Manager (Projects)

Mr David Leong has been with the Company since 2000. He is currently the General Manager in-charge of construction projects. He began his career in LKHS as Project Manager in 2000 and was appointed to his current position in 2008. He has over 30 years of experience in the building industry and is an Accredited Construction Professional A-Star (ACP A-Star). His experience includes 7 years of working in the construction industry in Malaysia and 9 years working in a Singaporean A1 licensed builder prior to joining LKHS.

Mr Leong graduated from The City University in the United Kingdom with a Bachelor of Science (Hons) in Civil Engineering.

SUSTAINABILITY REPORT SUMMARY

This section provides a summary of the Group's Sustainability Report ("Report") for the financial year ended 31 January 2024. The full standalone Sustainability Report 2023/2024 is published separately and should be read together with the Annual Report for a holistic picture of our business and performance.

Our Report is prepared in accordance with the Singapore Exchange Securities Trading Limited ("SGX-ST")'s Listing Manual and with reference to the Global Reporting Initiatives ("GRI") Standards 2021. The scope of reporting covers the Company's operations in (i) Development/Construction, (ii) Investment Properties, and (iii) Corporate Headquarter.

SUSTAINABILITY VISION STATEMENT

We endeavour to be a progressive builder, integrating sustainable practices in design, construction and management of all our projects. We aim to generate long term value for all our stakeholders in a responsible, ethical and conscientious manner through sustainability practices in the following five focus areas:

- Ensuring Good Governance
- Empowering Our People
- Building a Sustainable Environment
- Building Climate Resiliency
- Empowering Our Community

These focus areas served as a guide on the formulation of our sustainability strategy.

In addition to the implementation of Taskforce on Climate-related Financial Disclosures ("TCFD") recommendations, alongside disclosures of climate-related risks and opportunities, we also started reporting Scope 1 and Scope 2 greenhouse gas emissions for the Development/Construction, Investment Properties and Corporate Headquarter segments this year.

Further, we have set short, medium and long-term targets for various sustainability initiatives to measure the Group's progress for its investment in employees' learning and development, as well as for the reduction of energy, water and waste.

We continue to contribute back to the society by supporting charities and making donations for charitable causes in Singapore and Australia. Full details on our community engagements can be found in our Sustainability Report 2023/2024.

Our sustainability efforts also aim to contribute to the United Nations Sustainable Development Goals.

CORPORATE GOVERNANCE

The Board of Directors (the "Board") of Low Keng Huat (Singapore) Limited (the "Company" and collectively with its subsidiaries, the "Group") is committed to complying with effective corporate governance to ensure transparency and protection of shareholders' value. It has adopted a framework of corporate governance policies and practices in line with the principles and guidelines set out in the Code of Corporate Governance 2018 (the "Code") and accompanying Practice Guidance.

STATEMENT OF COMPLIANCE

During the financial year ended 31 January 2024 ("FY2024"), the Company has adhered to the principles and provisions of the Code and best practices in the accompanying Practice Guidance, as presented in this report.

BOARD MATTERS

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1
Board's Role

The Directors are fiduciaries who act objectively in the best interests of the Company and hold the Management accountable for performance. The Board establishes a code of conduct and ethics, sets the appropriate tone from the top, and defines the desired organisational culture while ensuring proper accountability within the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving conflicts.

The primary role of the Board, apart from its statutory responsibilities, comprises:

(a) providing entrepreneurial leadership, setting strategic objectives and ensuring that necessary resources are in place for the Company to meet its strategic objectives;

(b) establishing and maintaining a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and the Company's performance;

(c) reviewing and evaluating Management's performance;

(d) instilling an ethical corporate culture and ensuring that the Company's values, standards, policies and practices are consistent with the culture;

(e) ensuring transparency and accountability to key stakeholder groups; and

(f) assuming responsibility for corporate governance of the Group and considers sustainability issues in its strategies, policies and procedures.

Provision 1.2
Directors' Duties and Responsibilities

The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group and collaborates with Management to make objective decisions as fiduciaries in the best interest of the Group.

Continuous Training and Development of Directors

New Directors will be briefed on the Group's business and the Company's governance policies, including disclosure of interest in securities, disclosure of any conflicts in transactions involving the Company, prohibitions on dealing in the Company's securities, and restrictions on the disclosure of price-sensitive information.

A first-time director of a listed company must undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST"). Further training for a first-time director in areas such as accounting, legal matters, and industry-specific knowledge is arranged and funded by the Company.

Mr. Jason Eng, who was appointed as the Independent Director of the Company on 27 March 2024, has been briefed on the Group's business and the Company's governance policies and as a first-time director, he will undergo the above-mentioned mandatory training within one year from his appointment.

All Directors are encouraged to update their knowledge by attending training programs, seminars, and workshops organised by various professional bodies and organisations, with funding provided by the Company as applicable.

During the financial year, the Directors received updates on regulatory changes to the Listing Rules of the SGX-ST, accounting standards, and amendments to the Companies Act 1967 and the Code. The Chairman provided updates to the Board at each meeting on business and strategic developments. Additionally, the Management highlighted salient issues and risk management considerations for the industries in which the Group operates.

Following the implementation of the Guidelines for Developers on Anti-Money Laundering and Counter Terrorism Financing, effective from 28 June 2023, relevant directors, key management personnel, and staff have completed the online certification training to understand their respective roles and responsibilities in combating money laundering and terrorism financing.

Provision 1.3
Internal Guidelines on Matters Requiring Board's Approval

The Board has established internal guidelines on matters reserved for the Board's decision and has provided clear directions to Management on matters that require Board approval.

Matters reserved for Board Approval

Matters specifically reserved for the Board's approval include:

(a) matters involving a conflict of interest for a substantial shareholder or a director;

(b) material acquisitions and disposal of assets;

(c) corporate or financial restructuring;

(d) share issuances, interim dividends and other returns to shareholders; and

(e) any material investments or expenditures not in the ordinary course of the Group's business.

Provision 1.4
Delegation of Authority to Board Committees

To assist in the execution of its responsibilities, the Board has established the following specialized Board Committees:

- The Nominating Committee ("NC");
- The Remuneration Committee ("RC"); and
- The Audit Committee ("AC").

Each of the above Committees has its respective written objectives, mandates and operating procedures, which are regularly reviewed. Committee members are required to disclose their interests and recuse themselves from discussions and decisions involving conflicts of interest. The Board also continually assesses the effectiveness of each Committee. The segments of this report under Principles 4 to 10 detail the activities of the NC, RC and AC, respectively.

The present Board members and Board Committees members are as follows:

		Board Committees		
Name of Director	**Board Membership**	**Nominating Committee**	**Remuneration Committee**	**Audit Committee**
Low Keng Boon @ Lau Boon Sen	Executive Chairman	Member	–	–
Dato' Marco Low Peng Kiat	Managing Director	Member	Member	–
Low Poh Kuan	Executive Director	–	–	–
Alvin Teo Poh Kheng	Executive Director	–	–	–
Jimmy Yim Wing Kuen	Lead Independent Director	Member	Member	Chairman
Chris Chia Woon Liat	Independent Director	Member	Member	Member
Michael Leong Choon Fai	Independent Director	–	Chairman	–
Cheo Chai Hong	Independent Director	Chairman	–	Member
Jason Eng*	Independent Director	–	–	–

* *Mr. Jason Eng was appointed as Independent Director on 27 March 2024.*

Provision 1.5
Meetings of Board and Board Committees

The Board conducts regular scheduled meetings and holds additional meetings as warranted by circumstances. Moreover, all relevant information on material events and transactions is circulated to Directors as they arise. All Directors are regularly updated through Board meetings or by receiving circulars on matters material to the Company. The NC also takes into consideration other board representations held by the Directors and ensures that Directors allocate sufficient time and attention to the affairs of the Group.

As provided in the Company's Constitution, the Board may convene meetings by teleconferencing or videoconferencing. During FY2024, with the easing of the coronavirus disease 2019 (COVID-19) restrictions, the Board and Board Committees resumed most of their meetings in person. Directors who could not attend these meetings in person participated via videoconferencing.

The attendance of Directors at the meetings of the Board and Board Committees is as follows:

	No. of Meetings Attended in FY2024				
	Directors	**Board**	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**
1	Low Keng Boon @ Lau Boon Sen	4	–	1	–
2	Dato' Marco Low Peng Kiat	4	–	1	1
3	Low Poh Kuan	4	–	–	–
4	Alvin Teo Poh Kheng	4	–	–	–
5	Jimmy Yim Wing Kuen	4	5	1	1
6	Chris Chia Woon Liat	3	5	1	1
7	Michael Leong Choon Fai	4	–	–	1
8	Cheo Chai Hong	4	6	1	–
9	Jason Eng*	–	–	–	–
	No. of meetings held	4	6	1	1

* *Mr. Jason Eng was appointed as Independent Director on 27 March 2024.*

Provision 1.6
Board's Access to information

The Board is provided with Board papers before each Board meeting. These papers include management accounts with explanations of the Group's financial performance and operations, along with other relevant information. These materials are intended to offer comprehensive, adequate, timely, and reliable information, enabling the Directors to make informed decisions in the discharge of their duties and responsibilities. Where necessary, Management or external consultants engaged in specific projects are also available to brief the Directors or formally present at Board meetings.

When applicable, information about developments in legislation, government policies, and regulations affecting the Group's business and operations is promptly provided to all Directors.

Provision 1.7
Board's Access to Management, Company Secretary and External Advisers

The Board has separate and independent access to the Company Secretary and Management at all times. The Company Secretary attends or is represented at all meetings of the Board and Board Committees. The Company Secretary also ensures that Board procedures are followed, and applicable rules and regulations are complied with. The appointment and removal of the Company Secretary are subject to the approval of the Board.

The Board, collectively, and each Director, individually, have the right to seek independent professional advice at the Company's expense regarding any aspect of the Group's operations or undertakings to fulfill their duties and responsibilities as Directors.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1
Strong and independent element on the Board, with independent directors making up at least one-third of the Board

The Board currently comprises of nine Directors, with five being independent and four being executive. Subsequent to the retirement of Mr. Jimmy Yim Wing Kuen ("Mr. Jimmy Yim") at the upcoming AGM, the Board will comprise of eight Directors, with four being independent and four being executive.

The criterion for independence is based on the definition given in the Code and the Listing Rules of SGX-ST. The Code defines an "independent" director as someone who demonstrates independence in conduct, character, and judgement and who has no relationship with the Company, its related corporations, its substantial shareholders, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company. According to the Listing Rules of SGX-ST, an independent director is not someone who has been employed by the Company or any of its related corporations for the current financial year or any of the past three financial years. They also cannot have an immediate family member who is or has been employed by the Company or any of its related corporations in the past three financial years, and whose remuneration is determined by the RC.

All the Independent Directors of the Company have confirmed their independence. They have affirmed that they do not have any relationship with the Company, its related corporations, its substantial shareholders, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company.

Under Rule 210(5)(d)(iv) effective from 11 January 2023 and Transitional Practice Note 4 of the Listing Rules, an independent director who served for more than 9 years may continue to be considered independent until the conclusion of the next AGM for the financial year ending on or after 31 December 2023. Mr. Jimmy Yim who has served as an Independent Director for more than nine years will retire at the conclusion of the upcoming AGM under Regulation 88 of the Constitution of the Company and will not be seeking re-appointment as Director.

Provisions 2.2 and 2.3
Composition of Independent Directors and Non-Executive Directors on the Board

The number of Independent Directors represents half of the Board, complying with the Listing Rules of SGX-ST, which require Independent Directors to constitute at least one-third of the Board.

The Code stipulates that Independent Directors to constitute the majority of the Board when the Chairman is not independent and that Non-Executive Directors to also make up the majority of the Board. Mr. Low Keng Boon @ Lau Boon Sen ("Mr. Low Keng Boon") has been a non-independent Executive Chairman since March 2019. Mr. Low is also the co-founder of the Company and a significant shareholder.

As at the date of this report, the Non-Executive Directors who are all Independent Directors (including Mr. Jason Eng who was appointed on 27 March 2024) would constitute a majority of the Board. However, with the retirement of Mr. Jimmy Yim at the conclusion of the upcoming AGM, all the Non-Executive Directors who are Independent Directors would represent 50% of the Board composition and Provisions 2.2 and 2.3 would not be satisfied.

The Board believes that the Independent Directors have consistently demonstrated a strong level of independence and judgement over the years in fulfilling their duties and responsibilities for the Company, showing a firm commitment to safeguarding the interests of the shareholders. They actively contribute individual and independent viewpoints, engage in constructive debates, and objectively scrutinise and challenge Management. All major decisions made by the Board have been unanimous, and the Independent Directors have not been outvoted. The Board maintains that the current composition, with a strong element of independence, is suitable for effective decision-making. Given the nature and scope of the Company's operations, the Board does not plan to appoint an additional Independent Director in the coming year to achieve a majority of the Board.

Provision 2.4
Composition and Size of the Board

The Board regularly reviews its size and composition to assess their appropriateness and effectiveness, considering the Company's operations' nature, scope, and business requirements. After such reviews, the Board is satisfied with the current composition and size.

The Company has established a board diversity policy that recognizes and emphasizes the importance and advantages of a diverse Board, as necessitated by the Group's business needs. The Company believes that diversity is an important attribute of a well-functioning and effective Board.

The current Board members bring invaluable experience and a collective core set of competencies, including accounting, finance, law, business management, and industry expertise. The Board believes it has achieved a good diversity of skills and experiences to ensure its effective functioning.

Additionally, the Board recognises the importance of gender diversity, alongside factors such as age, ethnicity, and educational background among its members. It believes that a diverse Board can lead to higher-quality decision-making. The Company will continue to evaluate each candidate in its Board renewal process, seeking candidates based on merit rather than gender or ethnicity, while also considering the overall balance and effectiveness of the Board.

The profiles of the Directors are set out on pages 17 to 21 of this Annual Report.

Provision 2.5
Role of Non-Executive Directors and/or Independent Directors

During the financial year, the Non-Executive Directors, who also served as Independent Directors, engaged in constructive evaluation and contributed to the development of both the Group's short-term and long-term business strategies. They closely monitored Management's progress in implementing the agreed-upon business strategies.

Additionally, the Non-Executive Directors held discussions among themselves without the presence of Management, whenever the need arose. The Company also benefitted from Management's accessibility to Directors for guidance and the exchange of views, both within and outside the formal environment of Board and Board Committee meetings.

The Non-Executive Directors, under the leadership of the Lead Independent Director, held meetings among themselves without the presence of other Directors when necessary. Subsequently, the Lead Independent Director provides feedback to the Executive Chairman after such meetings.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1 and 3.2
Separate roles of the Executive Chairman and Managing Director

The clear division of responsibilities between the Executive Chairman and the Managing Director ensures a proper balance of power and authority at the top management of the Group. The posts of Executive Chairman and Managing Director are kept separate and held by Mr. Low Keng Boon and Dato' Marco Low Peng Kiat ("Dato' Marco Low"), respectively. Dato' Marco Low, the Managing Director, is the nephew of the Executive Chairman.

The Executive Chairman leads the Board, approves the agendas for Board meetings, and ensures sufficient time allocation for thorough discussion of each agenda item. He also ensures that Directors receive complete, adequate, and timely information and encourages constructive relations within the Board and between the Board and Management.

The Managing Director makes key decisions regarding the management and operations of the Group and is responsible for the conduct of the Group's business and affairs.

Provision 3.3
Lead Independent Director

Under the Code, which recommends that when the Chairman is not independent, the Company may appoint an independent non-executive director to serve as the Lead Independent Director of the Company. Such an appointment further enhances the independence of the Board and provides an additional channel of communication to shareholders.

Mr. Jimmy Yim currently holds the role of Lead Independent Director. The key responsibilities of the Lead Independent Director include:

(a) providing an additional and independent channel of contact to shareholders;

(b) lead the Non-Executive/Independent Directors in providing and facilitating non-executive perspective and contribute a balance of viewpoints on the Board;

(c) co-ordinate the activities and meetings of Non-Executive/Independent Directors;

(d) advise the Executive Chairman for the Board and Board Committees meetings; and

(e) promoting high standards of corporate governance.

Mr. Cheo Chai Hong ("Mr. Cheo") will replace Mr. Jimmy Yim as Lead Independent Director upon his retirement at the conclusion of the upcoming AGM.

PRINCIPLE 4: BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and re-appointment of directors, considering the need for progressive renewal of the Board.

Provisions 4.1 and 4.2
Nominating Committee

The NC comprises of five Directors, the majority of whom (including the Chairman) are Independent Directors:

Mr. Cheo Chai Hong	Chairman
Mr. Jimmy Yim Wing Kuen	Member
Mr. Chris Chia Woon Liat	Member
Mr. Low Keng Boon @ Lau Boon Sen	Member
Dato' Marco Low Peng Kiat	Member

Subsequent to the retirement of Mr. Jimmy Yim, the composition of NC, majority of whom (including the Chairman) are Independent Directors, will be as follows:

Mr. Chris Chia Woon Liat	Chairman
Mr. Cheo Chai Hong	Member
Mr. Michael Leong Choon Fai	Member
Mr. Low Keng Boon @ Lau Boon Sen	Member
Dato' Marco Low Peng Kiat	Member

The NC functions under a written terms of reference, which sets out its responsibilities as follows:

(a) Review of Board succession plans for Directors; in particular the appointment and/or replacement of the Executive Chairman, the Managing Director and key management personnel;

(b) Develop the process for evaluation of the performance of the Board, its Board Committees and the Directors and conduct a formal assessment of the effectiveness of the Board, Board Committees and contribution by each Director;

(c) Review of training and professional development programs for the Board;

(d) Determine the criteria for identifying candidates for directorship;

(e) Review of nominations and make recommendations to the Board on all Board appointments;

(f) Make recommendations to the Board on the re-nomination of retiring Directors standing for re-election at the Company's AGM;

(g) Determine annually whether a Director is independent;

(h) Determine whether a Director can and has been adequately carrying out his duties as a Director of the Company; and

(i) Ensure disclosure of key information of Directors in the Annual Report as required by the Code.

Provision 4.3
Process for the Selection and Appointment of New Directors

The NC conducts an annual review of the Board's composition, considering the size and mix of skills and qualifications of Board members. If deemed appropriate, it may recommend the appointment of additional directors to strengthen the Board's composition as part of the ongoing Board renewal process. The NC also reviews and identifies the desired competencies for new appointments.

In the event of resignation or retirement of an existing Director, the NC re-evaluates the Board's composition to assess the competencies needed for a replacement.

Once the NC determines the desired competencies for an additional or replacement Director to complement the skills and competencies of existing Directors, it submits its recommendations to the Board for approval.

Candidates are initially sourced through a network of contacts and selected based on the established criteria. Recommendations from Directors and Management are the usual sources for potential candidates. When applicable, sourcing through external search consultants may be considered.

The NC shortlists candidates and conducts formal interviews with each of them to assess their suitability and ensure they understand the expectations and level of commitment required. Finally, the NC presents its recommendations for appointment(s) to the Board for approval.

On 27 March 2024, Mr. Jason Eng was appointed as Independent Director to the Board after the assessment and recommendation by the NC and the approval of the Board. Under regulation 87 of the Constitution, he shall hold office until the upcoming AGM and will be re-elected at the upcoming AGM.

Regulation 88 of the Constitution stipulates that one-third of the Directors (or, if their number is not a multiple of three (3), the number nearest to one-third) shall retire from office by rotation and be eligible for re-election at the upcoming AGM. Accordingly, Dato' Marco Low, Mr. Jimmy Yim and Mr. Cheo will retire at the upcoming AGM. Dato' Marco Low and Mr. Cheo have consented to re-election, while Mr. Jimmy Yim will not seek for re-election. Considering their attendance and participation at Board meetings, the NC is satisfied that Dato' Marco Low and Mr. Cheo have committed sufficient time to effectively discharge their duties. The NC has recommended their re-election, and it was approved by the Board. Dato' Marco Low and Mr. Cheo recused themselves from the NC's and Board's deliberations and decisions regarding their respective re-elections.

In accordance with the Listing Rules of SGX-ST, the information as set out in Appendix 7.4.1 of the Listing Manual in respect of Dato' Marco Low and Mr. Cheo are provided on pages 180 to 184 of this Annual Report.

Provision 4.4
Determining Directors' Independence

The NC has conducted an annual review on the independence of the Independent Directors, using the criteria of independence outlined in the Code, the Listing Rules of SGX-ST, and Transitional Practice Note 4 of the Listing Rules, and has determined that they are independent.

Provision 4.5
Multiple Board Representations

The NC ensures that new Directors are aware of their duties and obligations. Each Director signs the form of undertaking set out in Appendix 7.7 of the Listing Rules of SGX-ST, committing to use their best endeavors to comply with the Listing Rules and to ensure the Company's compliance.

The NC has considered and holds the view that it would not be appropriate to set a limit on the number of company directorships that a director may hold. Directors have varying capabilities, and the organisations and committees they serve differs in complexity. Therefore, each Director personally determines the demands of their various directorships and obligations, assessing the number of directorships they can effectively manage.

The NC assesses whether a Director is capable of and has been adequately fulfilling their duties for the Company, considering the number of directorships and principal commitments they hold.

The NC expects Directors to commit sufficient time to discharge their duties effectively. Appointment of Alternate Directors should only be considered under exceptional circumstances. The Company does not have any Alternate Directors.

Details of the Directors' principal commitments and other directorships are set out on pages 17 to 21 of this Annual Report.

PRINCIPLE 5: BOARD PERFORMANCE

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provisions 5.1 and 5.2
Conduct of Board Performance
Criteria for Board Evaluation of Individual Directors

The NC conducts an annual evaluation of each Director and the Board's performance.

The general assessment parameters for a Director include their experience as a company director, competence, and knowledge. Specific assessment parameters for a Director encompass the level and quality of involvement throughout the year, attendance records at Board and Board Committee meetings, intensity of participation, and the quality of interventions and special contributions.

The NC also assesses the effectiveness of the Board using both quantitative and qualitative terms. Quantitative performance measurement primarily relies on shareholder value creation metrics, such as share price performance and earnings per share. Qualitative performance indicators encompass compliance with the Code, transparency in terms of disclosure, and feedback from authorities and investors.

The NC assesses the performance of the Board Committees based on their adherence to their terms of reference and their objectivity and independence in deliberations and recommendations presented to the Board.

For the financial year ended 31 January 2024, the NC conducted a review of the overall performance of the Board and its Committees, evaluating their roles, responsibilities, and conduct. The NC concluded that the performance of both the Board and its Committees has been satisfactory, and individual Directors have made contributions to the Board's overall performance. No external facilitator was engaged in the evaluation process.

The Company does not utilise any external professional facilitators for the assessments of the Board, Board Committees, and individual Directors. It will consider the use of such facilitators as and when appropriate.

REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions 6.1 and 6.2
Remuneration Committee

The Code recommends that the RC should consist entirely of non-executive directors, the majority of whom, including the Chairman, should be independent.

The RC comprises four Directors, the majority of whom (including the Chairman) are Non-Executive and Independent Directors:

Mr. Michael Leong Choon Fai	Chairman
Mr. Jimmy Yim Wing Kuen	Member
Mr. Chris Chia Woon Liat	Member
Dato' Marco Low Peng Kiat	Member

Subsequent to the retirement of Mr. Jimmy Yim, the composition of RC, majority of whom (including the Chairman) are Non-Executive and Independent Directors, will be as follows:

Mr. Michael Leong Choon Fai	Chairman
Mr. Chris Chia Woon Liat	Member
Dato' Marco Low Peng Kiat	Member
Mr. Jason Eng	Member

The Independent Directors believe that the RC benefits from having Dato' Marco Low, an Executive Director, as a member of the RC. His understanding of executive job duties is valuable in ensuring that remuneration packages align with the job scope and level of responsibilities of each executive. He will contribute to constructive discussions when proposing executive remuneration to the Board. Having an RC member who is an Executive Director does not compromise the independence of the RC, as the majority of the RC consists of Independent Directors. No Director or RC member is allowed to participate in the deliberations, and they must abstain from voting on any resolution related to their own remuneration or that of employees associated with them.

The principal responsibilities of the RC are to:

(a) approve the structure of the compensation program for Directors and key management personnel to ensure that the program is competitive and sufficient to attract, retain and motivate senior management of the required quality to run the Company successfully; and

(b) review the Directors' and key management personnel specific remuneration packages annually and determine appropriate adjustments.

Provision 6.3
Review of remuneration

The RC is responsible for overseeing all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, and benefits in-kind. Each RC member will abstain from voting on any resolution concerning their own remuneration package. The RC's recommendations will be submitted to the Board for endorsement.

Each Executive Director and key management personnel has an employment contract with the Company that can be terminated by either party giving notice of resignation or termination. The employment contracts do not contain onerous removal clauses.

Provision 6.4
Engagement of remuneration consultants

The RC will seek for expert professional advice on remuneration matters as needed, with the Company covering the expense of such services. For FY2024, the RC did not engage any remuneration consultants.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, considering the strategic objectives of the company.

Provision 7.1
Remuneration of Executive Directors and Key Management Personnel

The Company's remuneration policy aims to provide compensation packages at market rates that reward successful performance and attract, retain and motivate Directors and key management personnel. The level and structure of remuneration align with the long-term interests and risk policies of the Company. The RC believes it is appropriate to attract, retain, and motivate Directors to provide good stewardship and key management personnel to deliver effective management for the Company.

The Executive Directors' remuneration includes salary, bonuses, allowances, and benefits governed by employment contracts with the Company. Key management personnel receive a fixed monthly salary and bonuses based on their operating unit's and individual performance. Performance conditions were met in the financial year ended 31 January 2024.

The Company's employment contracts do not include provisions allowing it to reclaim incentive components of remuneration from Executive Directors and key management personnel. The Board believes that since performance bonuses are based on actual performance, including that of the operating unit and the individual (excluding unrealised profits and fair value gains), "claw-back" provisions may not be relevant or appropriate.

Provision 7.2
Remuneration of Non-Executive Directors

Non-Executive Directors do not have service agreements with the Company and receive only Directors' fees. These fees are determined based on a remuneration framework that includes basic fees and committee fees. The Company submits the quantum of Directors' fees for each year to the shareholders for approval at each AGM, and these fees are paid upon the conclusion of the AGM. The RC has reviewed the fee structure for Non-Executive Directors to ensure it reflects their responsibilities and work commitments, and recommended the Directors' fees for FY2024 to the Board for shareholders' approval at the upcoming AGM.

Provision 7.3
Appropriate remuneration to attract, retain and motivate Directors and Key Management Personnel

The RC is satisfied that the remuneration structure for Executive Directors and key management personnel, as described in Provision 7.1, and that for Non-Executive Directors, as described in Provision 7.2, are appropriate to attract, retain, and motivate Directors to provide good stewardship and key management personnel to deliver effective management while contributing to the Group's performance.

The RC conducts an annual review of compensation matters for Directors and key management personnel by comparing them to market comparables in similar companies within the same industry. The review indicates that there is no significant difference in the compensation of Directors and key management personnel compared to market.

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

The company is transparent in its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1
Remuneration Report

Below is the breakdown of the level and mix of remuneration for each Director and the top five key executives for the financial year ended 31 January 2024. A substantial portion of key executives' remuneration is tied to corporate and individual performance. Directors' remuneration is fully disclosed on a named basis in bands of $250,000 each.

	Directors' Fee [1]	Salary (annual)	Bonus (annual)	CPF/ Super-annuation	Allowances /Benefits (annual)	Total
Directors						
$1,000,001 to $1,250,000						
Dato' Marco Low Peng Kiat	–	720,000	150,000	14,608	156,283	1,040,891
$750,001 to $1,000,000						
Low Keng Boon @ Lau Boon Sen	–	720,000	150,000	7,082	72,995	950,077
Alvin Teo Poh Kheng	–	540,000	112,500	16,048	129,414	797,962
$250,001 to $500,000						
Low Poh Kuan	–	288,000	60,000	16,048	100,306	464,354
Below $250,001						
Jimmy Yim Wing Kuen	65,000	–	–	–	–	65,000
Chris Chia Woon Liat	50,000	–	–	–	–	50,000
Michael Leong Choon Fai	50,000	–	–	–	–	50,000
Cheo Chai Hong	50,000	–	–	–	–	50,000
Jason Eng*	–	–	–	–	–	–

	Directors' Fee [1]	Salary (annual)	Bonus (annual)	CPF/ Super-annuation	Allowances /Benefits (annual)	Total
Key Executives						
$250,001 to $500,000						
Lee Yoon Moi	–	78%	16%	2%	4%	100%
Low Chin Han	–	64%	13%	–	23%	100%
Low Poh Kok	–	79%	17%	–	4%	100%
Alvin Tan Teck Loon	–	78%	16%	4%	2%	100%
Below $250,001						
David Leong Soon Kuen	–	76%	14%	5%	5%	100%

Note:

[1] Directors' fee proposed for FY2024.

* Mr. Jason Eng was appointed as Independent Director on 27 March 2024.

The Directors' fees are subject to shareholders' approval at the upcoming AGM.

The aggregate total remuneration paid to the top 5 key management personnel (who are not Directors or the Managing Director) was $1,719,796.

Mr. Low Chin Han is the son of Mr. Low Keng Boon.

Dato' Marco Low, Mr. Low Poh Kuan and Mr. Low Poh Kok are the nephews of Mr. Low Keng Boon.

Provision 8.2
Remuneration of employees who are substantial shareholders or are immediate family members of a Director, the Managing Director or a substantial shareholder

Remuneration of Immediate Family Members of Directors or Managing Director

The remuneration of other employee who is a substantial shareholder of the Company or immediate family member of a Director, Managing Director, or substantial shareholder is as follows:

	Relationship to Director / Managing Director / substantial shareholder	Designation in the Company
$100,001 to $200,000		
Steven Low Chee Leong	Son of Mr. Low Keng Boon Cousin of Dato' Marco Low and Mr. Low Poh Kuan	Head, Safety Department

Except as disclosed, no employee of the Group is a substantial shareholder or an immediate family member of a Director, Managing Director, or substantial shareholder, and their remuneration does not exceed $100,000 in the year under review.

Provision 8.3
Employee Share Scheme

The Company does not have any share option or other share incentive schemes for its employees. The RC has reviewed this and is satisfied that the current remuneration structure for management personnel and executives, paid in cash, remains sufficient to incentivise performance without being overly excessive. For other staff, the general preference is for incentives to be provided in cash.

ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1
Risk Governance

The Board is responsible for the governance of risk and recognises the importance of a robust system of risk management and internal controls as part of good corporate governance. It has delegated the responsibility to the AC to assist the Board in overseeing the risk management and internal control systems within the Group.

After considering the Group's business operations, existing internal controls, and risk management systems, the Board believes that a separate risk committee is not necessary currently.

The primary risks associated with the Group's business and financial instruments are operational and financial risks. Operational risk is inherent in all business activities. To minimise such risks, the Group has established a QEHS (Quality, Environmental, Occupational Health and Safety) system for the construction business and an operating manual for the hotel business. Senior management takes a proactive and "hands-on" approach in managing and supervising the Group's business. Additionally, the Group has comprehensive insurance policies to cover unexpected events and losses. When necessary, the Group engages external consultants and experts to assist with its operations.

In compliance with the requirements pertaining to anti-money laundering and terrorism financing under the Housing Developers (Control and Licensing) Act 1965 ("HDCLA") and its Rules, Housing Developers (Anti-Money Laundering and Terrorism Financing) Rules, Sale of Commercial Properties Act 1979 ("SCPA") and its Rules and Sale of Commercial Properties (Anti-Money Laundering and Terrorism Financing) Rules, the Group has taken the following measures to mitigate the money laundering and terrorism financing risks:

- Developed an Anti-Money Laundering/ Combating the Financing of Terrorism ("AML/CFT") Policy Governance and Standard Operating Procedure ("SOP") Manual (the "Manual"), based on the Guidelines for Developers on Anti-Money Laundering and Counter Terrorism Financing; and

- Engaged two service providers to perform a thorough and ongoing due diligence on our buyers.

The AC reviews and the Board endorses the Company's risk tolerance and risk policies, considering the Company's strategic and business objectives. The Board is responsible for ensuring that Management designs, implements, and monitors the risk management and internal control systems to protect shareholders' investments and the assets of the Group.

Internal Controls

The Group has an internal control system in place designed to provide reasonable assurance that proper accounting records are maintained, the Group's assets are safeguarded, and financial information used for financial reporting is reliable.

The AC has assessed the effectiveness of the Group's internal control system considering key business and financial risks affecting its operations.

With the assistance of the Internal Audit function and through the AC, the Board continually reviews the adequacy and effectiveness of key internal controls and risk management. This review occurs at least once a year, and the Board offers its insights into management control. It ensures that necessary corrective actions are taken promptly.

Provision 9.2
Assurance from the Executive Chairman, Managing Director and Chief Financial Officer

For FY2024, the Board received assurance from the Executive Chairman, Managing Director and the Chief Financial Officer that the financial records have been properly maintained. They also confirmed that the financial statements provide a true and fair view of the Group's operations and finances, and that the Group's risk management and internal control system is adequate and effective.

Board's Comment on Adequacy and Effectiveness of Internal Controls and Risk Management Systems

Based on the current internal controls in place, the work conducted by the internal and external auditors, the assurance received from the Executive Chairman, Managing Director, and Chief Financial Officer, as well as reviews by the AC and the Board, the Board is of the opinion that the Group's internal, financial, operational, information technology, and compliance controls, as well as its risk management systems, were adequate and effective as of 31 January 2024. The AC concurred with the Board's opinion based on their reviews of audit findings on internal controls and risks with the internal and external auditors.

The Board also believes that the Group's risk management and internal control systems provide reasonable, though not absolute, assurance that the Group would not be adversely affected by the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud, irregularities, or other events arising from the business environment in which the Group operates.

Principle 10: **AUDIT COMMITTEE**

The Board has an AC which discharges its duties objectively.

Provisions 10.1 and 10.2
Audit Committee

The AC comprises three Directors, all of whom (including the Chairman) are independent:

Mr. Jimmy Yim Wing Kuen	Chairman
Mr. Chris Chia Woon Liat	Member
Mr. Cheo Chai Hong	Member

Subsequent to the retirement of Mr. Jimmy Yim, the composition of AC, all of whom (including the Chairman) are Independent Directors, will be as follows:

Mr. Cheo Chai Hong	Chairman
Mr. Chris Chia Woon Liat	Member
Mr. Jason Eng	Member

These AC members have extensive experience in senior management roles within the financial and legal sectors.

All AC members stay informed about changes in accounting standards and related issues through regular updates from the external auditors. The Board believes that the AC members possess the necessary accounting and financial management expertise and experience to effectively fulfill their roles within the AC.

Roles, Responsibilities and Authorities of AC

The AC assists the Board in fulfilling its responsibilities related to financial reporting, managing financial and control risks and monitoring the internal control systems.

The AC meets periodically to perform the following functions:

(a) review the significant financial reporting issues and judgements to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(b) review, at least annually, the adequacy and effectiveness of the Company's internal controls and risk management systems;

(c) review the assurance from the Executive Chairman, Managing Director and the Chief Financial Officer on the financial records and financial statements;

(d) review the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;

(e) review, with the external and internal auditors, the audit plan, and their evaluation of the accounting, operational and compliance controls, risk management and audit report;

(f) review the assistance given by Management and the staff of the Company to the external auditor;

(g) review the independence of the external auditor;

(h) nomination of the external auditor;

(i) oversee internal audit;

(j) review the interested person transactions between the Group and interested persons; and

(k) review the whistle-blowing policy

The AC has the authority to conduct or authorise investigations into any matters within its scope of responsibility. The AC also has full access to Management, the internal auditor, and external auditor. Additionally, it has discretion to invite any Director and executive officer to attend its meetings.

Interested Person Transactions

The Company maintains records and reports interested person transactions, which are subject to review by the AC to ensure they are conducted on normal commercial terms. Details of interested person transactions during the year under review, as required by the SGX-ST Listing Manual, are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Binakawa Sdn. Bhd.	Subsidiary of immediate and ultimate holding company, Consistent Record Sdn. Bhd.	Loan to Binakawa Sdn. Bhd. **S$1,339,192**	Nil
Bina Meganmas Sdn. Bhd.	Subsidiary of immediate and ultimate holding company, Consistent Record Sdn. Bhd.	Loan to Bina Meganmas Sdn. Bhd. **S$196,030**	Nil
Hawkeye Security Solutions Pte. Ltd.	Owned/managed by daughter and son-in-law of Executive Chairman, Mr. Low Keng Boon	Security services awarded to Hawkeye Security Solutions Pte. Ltd. **S$220,736**	Nil

Independence of External Auditors

For the year under review, the AC has reviewed the matters outlined in the Directors' Report, including the scope of non-audit services provided by the external auditor, and is content that the nature and extent of these services will not compromise the independence of the external auditor.

The AC observed that the total amount of fees paid and payable by the Group to the external auditors for FY2024 amounted to $186,700. This sum includes audit fees of $172,700 and non-audit fees of approximately $14,000.

Regarding the appointment of the audit firm for the Group, the AC is confident that the Company has adhered to Rule 712 and 716 of the Listing Rules of SGX-ST.

Whistleblowing Policy

The Company has implemented a Whistleblowing Policy. The Board believes that effective whistleblowing arrangements serve as a deterrent to malpractice and wrongdoing, promote openness, transparency, support the Group's risk management systems, and enhance its reputation. The policy has been distributed to all employees for implementation. It aims to encourage and provide a confidential channel for employees and other stakeholders to report concerns in good faith, including possible fraud, improprieties in financial reporting, or other matters. The objective of this policy is to ensure independent investigations of such matters and appropriate follow-up actions.

The AC is responsible for overseeing this policy, which is administered with the assistance of the Chief Financial Officer. The AC has the authority to take necessary actions independently to address the concerns raised and may instruct senior management staff to assist or cooperate in these actions.

All whistleblowing reports will be handled confidentially, except as required for investigation and remedial action in accordance with applicable laws and regulations. The identity of the whistleblower will be kept confidential and disclosed only on a need-to-know basis to the AC, the investigating team, the Company's Board of Directors, and any parties required by law.

The Company does not tolerate harassment or victimisation of individuals reporting genuine concerns. No one should face reprisal for reporting a genuine concern, even if it turns out to be mistaken. While this policy protects whistleblowers from unfair treatment, it strictly prohibits malicious, frivolous, and false complaints made in bad faith. Whistleblowers who report in bad faith may be subject to internal disciplinary actions and legal actions if necessary.

Provision 10.3
Partners or Directors of the Company's existing Auditing Firm

No former partner or director of the Company's existing auditing firm is a member of the AC.

Provision 10.4
Internal Audit Function

For FY2024, the Company outsourced the Group's internal audit function to a qualified accounting and advisory firm, NLA Risk Consulting Pte Ltd. The firm is a member of The Institute of Internal Auditors Singapore and is staffed with professionals who possess relevant qualifications and experience. The internal audit team is led by a Director, Mr. Gary Ng, who has over 20 years of relevant experience and is a Certified Internal Auditor. The Internal Auditor has adopted the International Standards for the Professional Practice of Internal Auditing as set by The Institute of Internal Auditors. The AC is satisfied that the internal audit function is adequately resourced to carry out its function.

The Internal Auditor has unrestricted access to all the Group's documents, records, properties, and personnel, including direct and unrestricted access to the AC when conducting internal audit reviews. The Internal Auditor reports directly to the AC on internal audit matters and has confirmed their independence to the AC.

Adequacy and Effectiveness of Internal Audit Function

To ensure the adequacy of the internal audit function, the AC conducts an annual review of its scope, methodology, and observations. The AC is satisfied that the Company's internal audit function is independent, effective, and adequately resourced.

Provision 10.5
Meeting with external and internal auditors without the presence of Management

During the financial year, the Company's internal and external auditors were invited to attend the AC meetings and make presentations as appropriate. The AC also has the discretion to meet separately with the external auditors and internal auditors without the presence of Management.

The auditors confirmed during the AC meeting that there were no significant disagreements with Management and no instances of non-compliance with accounting standards and internal controls during the audit.

SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

The company treats all shareholders fairly and equitably to enable them to exercise shareholders' rights and to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1
Providing Opportunity for Shareholders to Participate and Vote at General Meetings

All shareholders have the right to receive notice of general meetings and to vote at such meetings.

Notices of general meetings, accompanied by explanatory notes, are dispatched to shareholders at least 14 clear days before each meeting. The Board welcomes questions from shareholders, providing them with an opportunity to raise issues either formally or informally during, before, or after the general meetings.

Shareholders are encouraged to attend the AGM and other general meetings of the Company to ensure a high level of accountability and stay informed of the Group's development. General meetings serve as the principal forum for dialogue with shareholders. Shareholders can vote in person or by proxy at these meetings, and the Company provides them with information on voting procedures.

Provision 11.2
Separate Resolutions at General Meetings

The Board will present separate resolutions for each distinct issue at general meetings. Each special business item listed in the meeting notice is accompanied, where relevant, by an explanation for the proposed separate resolution related to that specific item. For resolutions concerning the election or re-election of Directors, detailed information about the Directors, as outlined in Appendix 7.4.1 of the Listing Manual, can be found on pages 180 to 184 of this Annual Report.

Provision 11.3
Attendance of Directors and Auditors at General Meetings

Barring unforeseen circumstances, all Directors, particularly the chairpersons of the NC, RC, AC, and senior management personnel, will be available to address any relevant queries by shareholders at general meetings. The external auditors are also present to respond to shareholders' questions regarding the audit process and the preparation of the Auditors' Report. The Company Secretary attends all general meetings to ensure compliance with procedures outlined in the Company's Constitution and the SGX-ST Listing Manual.

In year 2023, the Company held one general meeting, namely the AGM, which was attended by all the Directors.

Provision 11.4
Absentia Voting

The Company's Constitution allows shareholders who are absent from a general meeting to appoint proxies to exercise their votes on their behalf. Each shareholder, who is not considered a relevant intermediary under the Companies Act, can appoint up to two proxies to attend and vote at general meetings. Relevant intermediaries, such as the CPF agent bank nominees, are allowed to appoint multiple proxies to represent CPF investors at the Company's general meetings.

The Company held its 54th AGM ("2023 AGM") by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders had participated in the 2023 AGM by attending the "live" audio-visual webcast or "live" audio only stream. Textual questions were submitted in advance of and "live" during the 2023 AGM. Shareholders had also appointed proxies to attend and vote on their behalf at the 2023 AGM. The Company had addressed shareholders' substantial and relevant questions, and the responses were also published via SGXNET. The results of the votes casted on the resolutions as well as the name of the independent scrutineer were announced via SGXNET after the 2023 AGM.

The Company's upcoming 55th AGM ("2024 AGM") will be held physically. The arrangements relating to attendance and voting at the 2024 AGM, appointment of proxies, submission of questions in advance of the AGM, addressing of substantial and relevant questions in advance of and at the 2024 AGM, and the access to documents will be set out in the Company's Notice of AGM.

Provision 11.5
Minutes of General Meetings

The Company Secretary prepares minutes of general meetings that include a record of the proceedings, as well as any comments or queries from shareholders related to the meeting's agenda, along with responses from the Board and Management. These minutes are recorded and made available to the public on the Company's corporate website at https://www.lkhs.com.sg. Additionally, the outcomes of the general meetings are announced on SGXNET.

Provision 11.6
Dividend

For FY2024, the Board has recommended a first and final tax-exempt (one-tier) dividend of 1.5 cents for approval by shareholders at the upcoming AGM. Details of the proposed dividend are stated in page 8 of this Annual Report. The Company does not have a specific policy regarding dividend payments. Instead, the Board takes into account factors such as the Group's cash and bank balances, retained earnings, business prospects, as well as projected capital expenditure and investments before making a dividend proposal.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1
Avenues for Communication between the Board and Shareholders

The Company maintains effective communication with its shareholders and the investment community by promptly issuing announcements on SGXNET. Financial results and material information are communicated to shareholders in a timely manner.

In accordance with the Listing Rules of the SGX-ST, the Board's policy ensures that all shareholders are promptly informed about major developments affecting the Group. The Company adheres to a policy of not practicing selective disclosure, and any price-sensitive information is immediately released to the public as required by the Listing Rules.

The Company's AGM serves as a platform for shareholders to engage with the Board, allowing them to ask questions about the resolutions presented at the AGM and express their views.

The Company will also consider using other communication forums, such as analyst briefings, when appropriate.

Provisions 12.2 and 12.3
Investor Relations

The Company's Investor Relations Policy emphasizes the equitable and timely dissemination of information and news to both shareholders and the investment community. This communication is primarily achieved through announcements made on SGXNET. The Company maintains a commitment to avoiding selective disclosure.

To enhance outreach to shareholders and investors, the Company maintains an online investor relations site within its corporate website at https://www.lkhs.com.sg. This dedicated section provides regular updates on the latest news and business developments of the Group. Additionally, shareholders and investors are encouraged to utilise the investor relations contact available at https://www.lkhs.com.sg to submit their queries. The Company is dedicated to responding promptly to these inquiries.

MANAGING STAKEHOLDERS' RELATIONSHIPS

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions 13.1 and 13.2
Engagement with its Material Stakeholder Groups

The Group's primary stakeholders encompass its shareholders, customers, employees, business partners, and the community. In pursuit of its sustainable business objectives, the Company actively collaborates with these stakeholders through its sustainability initiatives and corporate social responsibility programs, as elaborated in its Sustainability Report for the financial year concluding on 31 January 2024.

For more comprehensive information, please refer to the detailed Sustainability Report. To comply with the updated Listing Rules effective from 1 January 2022, we have engaged NLA Risk Consulting Pte Ltd to conduct an internal assessment of the Group's sustainability reporting process for the financial year.

Provision 13.3
Corporate Website to Communicate and Engage with Stakeholders

The Group maintains a corporate website at https://www.lkhs.com.sg, where stakeholders can readily access information related to the Group. This website serves as a platform offering various resources, including corporate announcements, press releases, and profiles outlining the Group's activities. To facilitate communication, shareholders and stakeholders are also provided with an investor relations contact link at the aforesaid website, allowing them to establish contact with the Company.

CORPORATE GOVERNANCE

OTHER MATTERS

DEALINGS IN SECURITIES

The Company has instituted and executed a securities trading policy that aligns with Rule 1207(19) of the Listing Rules of SGX-ST. This policy effectively prohibits Directors, Management, and accounting staff from engaging in any transactions involving the Company's shares one month before the releases of the half-year and full-year financial statements, and at any time while in possession of undisclosed material information that is price-sensitive.

Directors and officers are obligated to adhere to insider trading laws and regulations, regardless of when they engage in trading activities involving the Company's securities. These individuals are strongly discouraged from conducting transactions in the Company's securities based on short-term considerations. They are also reminded to exercise caution and awareness regarding insider trading regulations.

The Company has consistently complied with best practices as stipulated in Listing Rule 1207(19)(c) of the Listing Rules of SGX-ST by refraining from trading in its own securities during restricted trading periods.

MATERIAL CONTRACTS

Apart from the contracts that have been disclosed, there were no material contracts executed by the Company or any of its subsidiary entities that pertain to the interests of the Executive Chairman, any Director, or the controlling shareholder of the Company.

DIRECTORS' STATEMENT

For the financial year ended 31 January 2024

The Directors present their statement to the members, together with the audited financial statements of the Group for the financial year ended 31 January 2024 and the statement of financial position of the Company as at 31 January 2024.

In the opinion of the Directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2024 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, having regard to information as disclosed in Note 2(a) to the financial statements there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of Directors

The Directors of the Company in office at the date of this statement are:

Low Keng Boon
Dato' Marco Low Peng Kiat
Low Poh Kuan
Alvin Teo Poh Kheng
Jimmy Yim Wing Kuen
Chris Chia Woon Liat
Michael Leong Choon Fai
Cheo Chai Hong
Jason Eng (appointed on 27 March 2024)

Mr. Jimmy Yim Wing Kuen, Mr. Chris Chia Woon Liat, Mr. Michael Leong Choon Fai, Mr. Cheo Chai Hong and Mr. Jason Eng are independent and non-executive directors.

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year, the Company was a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or of any other body corporate, other than as disclosed in this statement.

DIRECTORS' STATEMENT

For the financial year ended 31 January 2024

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967, none of the Directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director or nominee		Holdings in which a director is deemed to have an interest	
Name of director	As at 1.2.2023	**As at 31.1.2024**	As at 1.2.2023	**As at 31.1.2024**
	Number of ordinary shares			
The Company -				
Low Keng Huat (Singapore) Limited				
Low Keng Boon	52,773,806	**52,773,806**	23,000,000	**23,000,000**
Dato' Marco Low Peng Kiat	300,000	**300,000**	399,945,345	**399,945,345**
Low Poh Kuan	1,998,000	**1,998,000**	–	**–**
Alvin Teo Poh Kheng	–	**–**	3,988,000	**4,188,000**
Jimmy Yim Wing Kuen	–	**–**	320,000	**200,000**
Michael Leong Choon Fai	100,000	**100,000**	–	**–**
	Number of ordinary shares of RM1.00 each			
Ultimate holding company -				
Consistent Record Sdn. Bhd.				
Dato' Marco Low Peng Kiat	16	**16**	16	**16**

Dato' Marco Low Peng Kiat, by virtue of the provisions of Section 7 of the Singapore Companies Act 1967, is deemed to have an interest in the Company and all the related corporations of the Company.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 February 2024.

Share option scheme

There were no options granted during the financial year to subscribe for unissued shares of the Company or of its subsidiaries.

There were no shares issued during the financial year to which this statement relates by virtue of the exercise of the options to take up unissued shares of the Company or any subsidiary.

There were no unissued shares of the Company or any subsidiary under option at the end of the financial year.

Audit Committee

The Audit Committee at the end of the financial year comprises the following members:

Jimmy Yim Wing Kuen (Chairman)
Chris Chia Woon Liat
Cheo Chai Hong

The Audit Committee performs the functions set out in Section 201B(5) of the Singapore Companies Act 1967, the SGX Listing Manual and the Code of Corporate Governance. In performing these functions, the Audit Committee has met six times since the last Annual General Meeting and reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

(i) overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;

(ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

(iii) the quarterly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 January 2024, as well as the auditor's report thereon;

(iv) effectiveness of the Company's internal controls, including financial, operational and compliance controls and information technology controls and risk management systems, via reviews carried out by the internal auditors;

(v) the auditors confirmed during the Audit Committee meeting that there was no significant disagreement with management and non-compliance with accounting standards and internal controls during the audit;

(vi) legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(vii) the cost effectiveness and the independence and objectivity of the external auditor;

(viii) the nature and extent of non-audit services provided by the external auditor;

(ix) recommended to the Board of Directors the external auditor and internal auditors to be nominated, approved the compensation of the external auditor and internal auditors, and reviewed the scope and results of the audits;

(x) reported actions and minutes of the Audit Committee to the Board of Directors, with such recommendations as the Audit Committee considered appropriate; and

(xi) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

DIRECTORS' STATEMENT

For the financial year ended 31 January 2024

Audit Committee (Cont'd)

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Full details regarding the Audit Committee are provided in the "Corporate Governance" section of the annual report.

In appointing the auditors for the Company, subsidiaries, associates and joint ventures, we have complied with Rules 712, 715 and 716 of the SGX Listing Manual.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

DATO' MARCO LOW PENG KIAT

LOW POH KUAN

Dated: 10 May 2024

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Low Keng Huat (Singapore) Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 January 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 January 2024 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA"), Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code"), together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Risk	Our responses and work performed
Impairment of investment properties and property, plant and equipment [Notes 2(d), 2(e), 15 and 16]	As at 31 January 2024, the Group's investment properties and property, plant and equipment amounted to $290.0 million and $294.5 million, respectively, representing 23.8% and 24.2%, respectively of the Group's total assets.	Our review of the impairment assessment included the following: • we reviewed the Group's investment properties and property, plant and equipment and discussed with management to determine where impairment indicators existed;

Key Audit Matters (Cont'd)

Key audit matter	Risk	Our responses and work performed
Impairment of investment properties and property, plant and equipment [Notes 2(d), 2(e), 15 and 16] (Cont'd)	The Group's investment properties are mainly held by Paya Lebar Square Pte. Ltd., Balestier Tower Pte. Ltd., Quality Investments Pte. Ltd. and Perumal Development Pte. Ltd. The Group's property, plant and equipment are mainly held by the Company, Carnivore Brazilian Churrascaria Pte. Ltd., Amuret Pty. Ltd., Paya Lebar Square Pte. Ltd., Balestier Tower Pte. Ltd. and Perumal Development Pte. Ltd. As at the end of the reporting period, due to indication that certain of these non-financial assets may be impaired, the Group estimated the recoverable amount of these assets. The Group engaged independent professional valuers (management's expert) to carry out valuations on the investment properties and property, plant and equipment based on the properties' highest-and-best use. These were performed on the basis of open market values to determine the fair value. The impairment testing performed on the Group's and the Company's non-financial assets is considered to be a key audit matter due to the significant judgement required in determining the assumptions to be used to estimate the recoverable amount of the cash-generating unit, which the assets are allocated to, which is based on the higher of the value-in-use and fair value less costs of disposal.	Our review of the impairment assessment included the following: (Cont'd) ● we read the terms of engagement of the management's expert to determine whether there were any matters that might have affected their objectivity or limited the scope of their work; ● we have assessed the appropriateness of the useful lives of the investment properties and property, plant and equipment; ● we evaluated whether the management's expert had the necessary competence, capability and objectivity for the required purposes. The evaluation of objectivity included inquiry regarding interests and relationships that may create a threat to that expert's objectivity; ● we engaged an auditor's expert in assessing the appropriateness of the valuation methodologies, assumptions and reasonableness of estimates used by the management's expert; ● we performed sensitivity analysis over the assumptions, estimates and its measurement against source data and appropriate external sources, where appropriate; ● we assessed the competency, capability and objectivity of the auditor's expert; and ● we also considered the adequacy of the Group's disclosures in relation to impairment of the investment properties and property, plant and equipment.

Key Audit Matters (Cont'd)

Key audit matter	Risk	Our responses and work performed
Net realisable value of development properties [Notes 2(d), 2(e) and 10]	The Group has significant residential development properties that are for sale in its core market - Singapore. As at 31 January 2024, the Group's development properties amounted to \$321.3 million, representing 26.4% of the Group's total assets. The Group's development properties are held by Glopeak Development Pte. Ltd. Development properties for sale are stated at the lower of their cost and their net realisable values. The determination of the estimated net realisable value of these development properties is critically dependent upon the Group's expectations of future selling prices. There is an inherent risk that the estimate of net realisable values exceed future selling prices, resulting in a loss when these properties are sold. The Group engaged independent professional valuers to estimate the net realisable value of development properties in accordance with SFRS(I) 1-2 *Inventories.* There is a possible risk of understatement of project costs where work has been completed up to certain stage but liabilities owing to contractors or suppliers have not been recorded up to that stage. In addition, project costs may not be accurately or appropriately recorded.	Our review of the net realisable value of development properties included the following: • we evaluated whether the management's expert has the necessary competence, capability and objectivity for the required purposed. The evaluation of objectivity included inquiry regarding interests and relationships that may create a threat to that expert's objectivity; • we compared the management's expert underlying assumptions on estimated selling prices to market comparables and to recent prices for properties sold by the Group subsequent to the end of reporting period; • we performed sensitivity analysis over the assumptions, estimates and its measurement against source data and appropriate external sources, where applicable; • we assessed the reasonableness of the estimated cost and additional cost accrued against relevant supporting documentation and, where the works were contracted to third parties, agreed to the contracts. We tested samples of items of the cost components to source documents to ascertain the existence and accuracy of the cost of the development properties; • we checked to sales contracts entered into external customers after reporting date; • we evaluated management's conclusion to recognise write-down of development properties, if any;

Key Audit Matters (Cont'd)

Key audit matter	Risk	Our responses and work performed
Net realisable value of development properties [Notes 2(d), 2(e) and 10] (Cont'd)		Our review of the net realisable value of development properties included the following: (Cont'd) ● we assessed management intent of the development properties, as appropriate, and ascertained that all components of the development properties are correctly classified; and ● we considered the adequacy of the Group's disclosure about the uncertainties of the carrying values of the development properties.
Revenue recognition of development properties [Notes 26 and 38]	Revenue recognition of the development properties requires management's use of estimates in identification of performance obligations, assessment of the number of performance obligations and whether they are satisfied over time or at a point in time, and determination of an appropriate method to measure progress of the property development project for revenue recognition. Revenue on development properties is recognised using the percentage of completion ("POC") method. Significant judgements are required to determine the total construction costs which include estimation for variation works and any other claims from contractors. Any changes to the estimated total construction costs will impact the stage of completion, and consequentially the revenue recognised. As disclosed in Note 26 to the financial statements, revenue from property development amounting to $297.3 million was recognised over time, with reference to the Group's progress towards completing the construction of the property development. This revenue is recognised using the percentage of completion ("POC") method.	Our review of the revenue recognition of development properties included the following: ● we read the sales and purchase agreements for sale of development properties and engaged management to obtain an understanding of the performance obligations of the Group as the developer, and its contractual rights. We discussed with management to assess whether the criteria for recognising revenue over time or at a point in time are met, taking into consideration the contractual terms. ● we performed procedures to review the managements estimated total construction cost for all the development projects, and assessed the reasonableness of the assumptions and estimates applied by management which included key elements such as construction costs and variation works, taking also into consideration the need by management to account for any effects of significant or unusual events that occurred during the year which may impact the estimated total construction cost.

Key Audit Matters (Cont'd)

Key audit matter	Risk	Our responses and work performed
Revenue recognition of development properties [Notes 26 and 38] (Cont'd)		Our review of the revenue recognition of development properties included the following: (Cont'd) • in addition, we also used the value of the main contractor costs incurred to date as certified by third party architects or quantity surveyors, compared to the estimated total main contractor costs and performed arithmetic computations of the stage of completion and revenue to be recognised for the year. • we also considered the adequacy of the disclosure in the financial statements, regarding the inherent degree of subjectivity and key assumptions in the estimates.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

To the Members of Low Keng Huat (Singapore) Limited

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ong Soo Ann.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 10 May 2024

STATEMENTS OF FINANCIAL POSITION

As at 31 January 2024

The Group	Note	**31 January 2024 $'000**	31 January 2023 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	3	**71,212**	42,894
Fixed deposits	4	**12,441**	7,493
Trade and other receivables	6	**27,025**	32,109
Contract assets	8(a)	**112,958**	8,376
Contract costs	8(b)	**10,942**	1,652
Inventories	9	**324**	339
Development properties	10	**321,341**	543,840
		556,243	636,703
Non-current Assets			
Financial assets at FVOCI	11	**4,676**	5,214
Trade and other receivables	6	**710**	1,262
Financial assets at FVPL	5	**28,068**	36,320
Joint ventures	12	**9,359**	10,256
Associated companies	13	**30,318**	27,082
Investment properties	15	**289,954**	292,714
Property, plant and equipment	16	**294,457**	298,289
Deferred tax assets	17	**2,208**	882
		659,750	672,019
Total assets		**1,215,993**	1,308,722
LIABILITIES			
Current Liabilities			
Trade and other payables	18	**39,088**	41,251
Amount owing to non-controlling shareholders of subsidiaries (non-trade)	19	**361**	1,256
Provision for directors' fee		**215**	215
Current tax payable		**4,702**	5,274
Borrowings	21	**5,493**	373,595
		49,859	421,591

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 January 2024

The Group	Note	**31 January 2024 $'000**	31 January 2023 $'000
Non-current Liabilities			
Provision	20	**26**	29
Borrowings	21	**541,953**	250,724
Deferred tax liabilities	17	**3,441**	3,022
		545,420	253,775
Total liabilities		**595,279**	675,366
NET ASSETS		**620,714**	633,356
EQUITY			
Capital and Reserves			
Share capital	22	**161,863**	161,863
Capital reserve	23(a)	**(30,214)**	(30,214)
Fair value reserve	24	**976**	1,514
Retained profits	23(b)	**484,762**	493,285
Currency translation reserve	25	**(7,666)**	(4,034)
		609,721	622,414
Non-controlling interests		**10,993**	10,942
Total equity		**620,714**	633,356

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 January 2024

The Company	Note	**31 January 2024 $'000**	31 January 2023 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	3	**39,289**	3,662
Trade and other receivables	6	**4,833**	4,610
Amount owing by subsidiaries (non-trade)	7(a)	**3,072**	2,708
Contract assets	8(a)	**5,586**	4,964
		52,780	15,944
Non-current Assets			
Trade and other receivables	6	**6,303**	4,943
Joint ventures	12	**9,078**	10,450
Subsidiaries	14	**598,973**	700,339
Property, plant and equipment	16	**4,055**	4,212
		618,409	719,944
Total assets		**671,189**	735,888
LIABILITIES			
Current Liabilities			
Trade and other payables	18	**24,234**	17,626
Amount owing to subsidiaries (non-trade)	7(b)	**11,140**	10,012
Provision for directors' fee		**215**	215
Current tax payable		**–**	95
Borrowings	21	**1,271**	18,247
		36,860	46,195
Non-current Liability			
Borrowings	21	**1,083**	2,354
Total liabilities		**37,943**	48,549
NET ASSETS		**633,246**	687,339
EQUITY			
Capital and Reserves			
Share capital	22	**161,863**	161,863
Retained profits	23(b)	**471,383**	525,476
Total equity		**633,246**	687,339

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 January 2024

The Group	Note	**Year ended 31 January 2024 $'000**	Year ended 31 January 2023 (restated) $'000
Revenue	26, 38	**367,680**	97,267
Cost of sales		**(307,628)**	(72,524)
Gross profit		**60,052**	24,743
Other income			
- Finance income	27(a), 38	**1,710**	464
- Other operating income	27(b)	**3,990**	2,762
Expenses			
- Distribution costs		**(16,912)**	(2,969)
- Administrative costs	28	**(14,326)**	(13,566)
- Other operating expenses	29	**(2,144)**	(1,460)
- Finance costs	30, 38	**(27,511)**	(18,118)
Share of results of joint ventures and associated companies	12, 13, 38	**2,764**	(2,200)
Profit/(loss) before fair value changes, other gains/(losses) and taxation		**7,623**	(10,344)
Fair value loss on financial assets at FVPL	5, 38	**(7,543)**	(1,156)
Other losses, net	31, 38	**(1,748)**	(18,755)
Loss before taxation	32, 38	**(1,668)**	(30,255)
Taxation	33, 38	**638**	(1,641)
Loss after taxation		**(1,030)**	(31,896)
Other comprehensive loss after tax:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of the financial statements of foreign entities (net of tax at Nil%)	25	**(3,632)**	(1,471)
Items that will not be reclassified subsequently to profit or loss			
Fair value loss on financial assets at FVOCI (net of tax at Nil%)	11,24	**(538)**	(86)
Exchange differences on translation of the financial statements of foreign entities (net of tax at Nil%)		**(157)**	(199)
Other comprehensive loss for the year, net of tax		**(4,327)**	(1,756)
Total comprehensive loss for the year		**(5,357)**	(33,652)
Loss attributable to:			
Owners of the parent	38	**(1,135)**	(32,326)
Non-controlling interests	38	**105**	430
		(1,030)	(31,896)
Total comprehensive loss attributable to:			
Owners of the parent		**(5,305)**	(33,883)
Non-controlling interests		**(52)**	231
		(5,357)	(33,652)
Loss per share (cents)			
- Basic	34	**(0.15)**	(4.38)
- Diluted	34	**(0.15)**	(4.38)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 January 2024

The Group	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Retained profits $'000	Currency translation reserve $'000	Total attributable to owners of the parent $'000	Non-controlling interests $'000	Total $'000
	← Attributable to equity holders of the Company →							
Balance at 1 February 2022	161,863	(30,214)	1,860	540,127	(2,563)	671,073	12,536	683,609
(Loss)/profit for the year	–	–	–	(32,326)	–	(32,326)	430	(31,896)
Other comprehensive loss for the year	–	–	(86)	–	(1,471)	(1,557)	(199)	(1,756)
Total comprehensive (loss)/income for the year	–	–	(86)	(32,326)	(1,471)	(33,883)	231	(33,652)
Liquidation of subsidiaries with non-controlling interests	–	–	–	–	–	–	(1,825)	(1,825)
Dividends paid to owners of the parent [Notes 23(b) and 36]	–	–	–	(14,776)	–	(14,776)	–	(14,776)
Total transaction with owners, recognised directly in equity	–	–	–	(14,776)	–	(14,776)	(1,825)	(16,601)
Transfer upon disposal of financial assets at FVOCI	–	–	(260)	260	–	–	–	–
Balance at 31 January 2023	161,863	(30,214)	1,514	493,285	(4,034)	622,414	10,942	633,356
Balance at 1 February 2023	**161,863**	**(30,214)**	**1,514**	**493,285**	**(4,034)**	**622,414**	**10,942**	**633,356**
(Loss)/profit for the year	**–**	**–**	**–**	**(1,135)**	**–**	**(1,135)**	**105**	**(1,030)**
Other comprehensive loss for the year	**–**	**–**	**(538)**	**–**	**(3,632)**	**(4,170)**	**(157)**	**(4,327)**
Total comprehensive loss for the year	**–**	**–**	**(538)**	**(1,135)**	**(3,632)**	**(5,305)**	**(52)**	**(5,357)**
Dividends paid to owners of the parent [Notes 23(b) and 36]	**–**	**–**	**–**	**(7,388)**	**–**	**(7,388)**	**–**	**(7,388)**
Cancellation of dividends by a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**850**	**850**
Dividends paid by a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**(747)**	**(747)**
Total transaction with owners, recognised directly in equity	**–**	**–**	**–**	**(7,388)**	**–**	**(7,388)**	**103**	**(7,285)**
Balance at 31 January 2024	**161,863**	**(30,214)**	**976**	**484,762**	**(7,666)**	**609,721**	**10,993**	**620,714**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 January 2024

The Group	Note	**Year ended 31 January 2024 $'000**	Year ended 31 January 2023 (restated) $'000
Cash Flows from Operating Activities			
Loss before taxation		**(1,668)**	(30,255)
Adjustments for:			
Share of results of joint ventures and associated companies		**(2,764)**	2,200
Depreciation of:			
- Investment properties	15, 32	**3,671**	3,874
- Property, plant and equipment	16, 32	**7,815**	8,129
(Gain)/loss on disposal of property, plant and equipment	31	**(27)**	156
Loss on disposal of associates	13, 31, Note B	**–**	23,303
Gain on early repayment of shareholder loan owing by associated company	13, 31, Note B	**–**	(4,783)
Government grant income	27(b)	**(66)**	(260)
Impairment loss on:			
- Property, plant and equipment	16, 31	**–**	34
- Receivables	6, 29	**22**	–
- Investments in joint ventures and associated companies	31	**360**	–
Write-back of impairment loss on:			
- Property, plant and equipment	16, 31, 32	**–**	(2,418)
- Receivables	6, 27(b)	**–**	(358)
Amortisation of contract costs	8(b)	**14,554**	542
Fair value loss on financial assets at FVPL	5, 32	**7,543**	1,156
Property, plant and equipment written off	31	**2**	199
Investment properties written off	31	**–**	51
Dividend income from quoted equity investments	27(b)	**(134)**	(112)
Long outstanding payables written off	31	**–**	(253)
Unrealised foreign exchange losses from financial assets at FVPL	5	**1,557**	1,857
Finance costs	30	**27,511**	18,118
Finance income	27(a)	**(1,710)**	(464)
Operating profit before working capital changes		**56,666**	20,716
Decrease in inventories		**15**	67
Decrease in development properties		**222,499**	2,661
(Increase)/decrease in contract assets and contract costs		**(128,426)**	15,277
Decrease in contract liabilities		**–**	(1,554)
Decrease/(increase) in operating receivables		**5,772**	(21,045)
(Decrease)/increase in operating payables		**(1,899)**	9,787
Cash generated from operations		**154,627**	25,909
Income tax paid		**(867)**	(2,749)
Net cash generated from operating activities		**153,760**	23,160
Balance carried forward		**153,760**	23,160

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 January 2024

The Group	Note	**Year ended 31 January 2024 $'000**	Year ended 31 January 2023 (restated) $'000
Balance brought forward		**153,760**	23,160
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	Note A	**(4,844)**	(2,200)
Interest received		**1,558**	151
Dividend from quoted equity investments		**134**	112
Proceeds from disposal of financial assets at FVOCI		**–**	8,153
Advances and loans made to joint ventures and associated companies		**(2,175)**	(1,061)
Investment in financial assets at FVPL	5	**(848)**	(23,625)
Proceeds from disposal of associated companies	Note B	**–**	1,389
Loan repayment from associated companies	Note B	**–**	43,761
Proceeds from disposal of property, plant and equipment		**36**	–
Net cash (used in)/generated from investing activities		**(6,139)**	26,680
Cash Flows from Financing Activities			
Dividends paid to shareholders of the Company	36	**(7,388)**	(14,776)
Dividends paid to non-controlling shareholders of subsidiaries		**(747)**	–
Government grant received		**66**	260
Bank borrowings:			
- Proceeds		**119,434**	178,610
- Principal paid		**(197,105)**	(272,037)
- Interest paid		**(27,717)**	(17,723)
Lease liabilities:			
- Principal paid		**(404)**	(312)
- Interest paid		**(59)**	(50)
Fixed deposit pledged		**(4,948)**	(20)
Net cash used in financing activities		**(118,868)**	(126,048)
Net increase/(decrease) in cash and cash equivalents		**28,753**	(76,208)
Cash and cash equivalents at beginning of year		**42,894**	119,929
Exchange differences on translations of cash and cash equivalents at beginning of year		**(435)**	(827)
Cash and cash equivalents at end of year	3	**71,212**	42,894

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

A. Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment at an aggregate cost of $6,122,000 (2023 - $2,209,000). All additions were fully paid to suppliers of property, plant and equipment during the financial year, except for leased assets. Cash payment of $4,844,000 (2023 - $2,200,000) were made to purchase property, plant and equipment.

B. Disposal of investments in associates and shareholder loan owing by associated company

Disposal of investments in associates

Huatland Development Pte. Ltd., a wholly owned-subsidiary of the Company, previously held a 20% equity interest in each of Perennial Shenton Investors Pte. Ltd. ("PSI") and PRE 13 Pte. Ltd. ("PRE13").

PSI was a strategic partner in the properties leasing business for office units, up until the sale of its 100% subsidiary, Perennial Shenton Holding Pte. Ltd. ("PSH"), on 30 June 2020. Subsequently, PSI became dormant and its role as the Group's strategic partner in the property leasing business was undertaken by PRE13. PRE13 holds a 50% stake in PSH, who in turn owns a 100% equity stake in Perennial Shenton Properties Pte. Ltd. ("PSP"). PSP is the owner of AXA Tower, a 50-storey landmark Grade A office development with a retail podium, strategically sited within Singapore's Central Business District.

The Group disposed its entire equity interests in PRE13 and PSI in April 2022 and May 2022, respectively. These transactions resulted in a loss on disposal as set out below:

	PRE13 $'000	PSI $'000	2023 $'000
Cash consideration for disposal of investment in associates	994 [1]	395	1,389
Less: Carrying amount of investment at date of disposal	(24,290) [2]	(402)	(24,692)
Loss on disposal of investment	(23,296)	(7)	(23,303)

Shareholder loan owing by associated company

The disposal also resulted in an early repayment of the shareholder loan due from PRE13. This transaction resulted in a gain on early repayment of shareholder loan as set out below:

	2023 $'000
Cash consideration for early repayment of shareholder loan	43,761
Less: Carrying amount of shareholder loan at date of repayment	
Principal amount of shareholder loan	(59,761)
Discount implicit in shareholder loan to associate[3]	23,083
Notional interest on shareholder loan	(2,300)
Carrying amount of shareholder loan at date of repayment	(38,978)
Gain on early repayment of shareholder loan	4,783

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

B. Disposal of investments in associates and shareholder loan owing by associated company (Cont'd)

The above transaction follows the Group's earlier disposal of an effective 10% interest in AXA Tower (via PSI's sale of stake in PSH) in June 2020, which resulted in a $50,176,000 gain on disposal. Such gain was included in the share of profit from associates for the financial year ended 31 January 2021 ("FY2021"). Therefore, the Group's net gains for its investment in AXA Tower, aggregating the transactions in FY2021 and FY2023, was $31,655,000.

(1) Consideration for PRE13 was presented net of post-completion adjustments.

(2) Carrying amount of PRE13 included discount implicit in shareholder loans to associate, amounting to $23,083,000. Huatland's 20% share of PRE13's net assets as at date of disposal, adjusted by Group for equity accounting purposes, was $1,207,000.

(3) A discount rate of 5% per annum had been applied to calculate the financial asset to its fair value at initial recognition and notional interest, up till the original repayment date, 31 December 2030. The amount was non-trade, unsecured, interest-free and denominated in Singapore dollar.

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The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Reconciliation of liabilities arising from financing activities

The following is the disclosure of reconciliation of items for which cash flows have been, or would be, classified as financing activities, excluding equity items:

			Cash flows				Non-cash changes						
		1 February 2023	Proceeds	Principal paid	Interest paid	Increase in fixed deposit pledged	Dividend paid	New leases	Interest expense	Foreign exchange movement	Accrued interest	Others	31 January 2024
	Note	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Amount owing to non-controlling shareholders of subsidiaries:													
- Advances	19	379	–	–	–	–	–	–	–	(18)	–	–	361
- Dividend payable (Note A)	19	877	–	–	–	–	(747)	–	–	(27)	–	(103)	–
Bank borrowings	21	622,969	119,434	(197,105)	(27,717)	–	–	–	27,452	–	265	–	545,298
Lease liabilities	37(a)	1,350	–	(404)	(59)	–	–	1,251	59	(49)	–	–	2,148
Fixed deposits pledged	4	(7,493)	–	–	–	(4,948)	–	–	–	–	–	–	(12,441)

			Cash flows				Non-cash changes						
		1 February 2022	Proceeds	Principal paid	Interest paid	Increase in fixed deposit pledged	Dividend paid	New leases	Interest expense	Foreign exchange movement	Accrued interest	Others	31 January 2023
	Note	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Amount owing to non-controlling shareholders of subsidiaries:													
- Advances	19	390	–	–	–	–	–	–	–	(11)	–	–	379
- Dividend payable	19	960	–	–	–	–	–	–	–	(83)	–	–	877
Bank borrowings	21	716,396	178,610	(272,037)	(17,723)	–	–	–	18,069	–	(346)	–	622,969
Lease liabilities	37(a)	1,780	–	(312)	(50)	–	–	8	49	(125)	–	–	1,350
Fixed deposits pledged	4	(7,473)	–	–	–	(20)	–	–	–	–	–	–	(7,493)

A. Dividends paid to non-controlling interests

Dividends for non-controlling interests of $103,000 in FY2024 pertained to the net impact arising from:

i) a cancellation of FY2022 dividend of $850,000 declared by an overseas subsidiary; and

ii) lower dividends of $747,000 declared by the same subsidiary for FY2023, paid in FY2024.

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1 General information

Low Keng Huat (Singapore) Limited ("Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 80 Marine Parade Road #18-05/09, Parkway Parade, Singapore 449269.

The principal activities of the Group are construction, property development, ownership and operation of serviced apartments, a hotel and a restaurant, as well as investment holding. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

The Company's immediate and ultimate holding company is Consistent Record Sdn. Bhd., a company incorporated in Malaysia.

The consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 31 January 2024 were authorised for issue by the Board of Directors on the date of the directors' statement.

2(a) Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore dollar which is the Company's functional currency. All financial information has been presented in Singapore dollar and rounded to the nearest thousand ($'000), unless otherwise stated.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(d).

The accounting policies used by the Group have been applied consistently to all periods presented in these financial statements.

<u>Going concern assumption</u>

The financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet their obligations as and when they fall due in the next 12 months. The Group incurred a net loss after tax of $1,030,000 (2023 - $31,896,000) during the financial year ended 31 January 2024. The loss is mainly attributable to fair value loss in investment at FVPL of $7,543,000 (2023 - $1,156,000) as disclosed in Note 5 and $Nil (2023 - $23,303,000) from disposal of associates as disclosed in Note 13.

The Group is in a net current asset of $506,384,000 (2023 - $215,112,000) and has cash and cash equivalents of $71,212,000 (2023 - $42,894,000) for the financial year ended 31 January 2024. Based on the foregoing, the Directors are of the view that there is reasonable assurance that the Group will be able to meet its obligations as and when they fall due in the next 12 months and a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

2(b) Adoption of new and revised SFRS(I) effective for the current financial year

On 1 February 2023, the Group and the Company have adopted all the new and revised SFRS(I), SFRS(I) interpretations ("SFRS(I) INT") and amendments to SFRS(I), effective for the current financial year that are relevant to them. The adoption of these new and revised SFRS(I) pronouncements did not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods.

2(c) New and revised SFRS(I) issued but not yet effective

At the date of authorisation of these financial statements, the Group and the Company have not adopted the new and revised SFRS(I), SFRS(I) INT and amendments to SFRS(I) that have been issued but are not yet effective to them. Management anticipates that the adoption of these new and revised SFRS(I) pronouncements in future periods will not have a material impact on the Group's and the Company's accounting policies in the period of their initial application.

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 1-1	*Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 1-1	*Non-current Liabilities with Covenants*	1 January 2024
Amendment to SFRS(I) 1-7 and SFRS(I) 7	*Supplier Finance Arrangements*	1 January 2024
Amendment to SFRS(I) 16	*Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 1-21	*Lack of Exchangeability*	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Yet to be determined

2(d) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year ("FY"). Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period in which the estimate is revised and in any future reporting periods affected. The areas involving significant judgement and critical accounting estimates and assumptions used are described below.

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(i) Significant judgements used in applying accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that have been made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Classification of properties (Notes 10, 15 and 16)

The Group determines whether a property is classified as development property, investment property, or owner-occupied property as follows:

- Development properties comprise completed properties for sale, properties for development and properties in the course of development in the ordinary course of business. Principally, these are residential, offices and retail properties that the Group develops and intends to sell before or on completion of construction.

- Investment properties comprise offices and retail units which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

- Owner-occupied properties comprise properties that are used by the Group in the production or supply of goods and services or for administrative services.

Joint ventures (Note 12)

The Group holds 25% to 49% ownership interest of its joint ventures recognised in the consolidated accounts using the equity method in accordance with the percentage owned. Management has assessed that the holdings are joint arrangements as there are contractual arrangement with the parties resulting in the Group having joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. As the joint arrangements provide the Group with rights to the net assets of the arrangements, the arrangements are joint ventures to the Group. Further details are disclosed in Note 12 to the financial statements.

Income tax (Notes 17 and 33)

The Group has exposures to income taxes in several jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(i) Significant judgements used in applying accounting policies (Cont'd)

Determination of the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is re-assessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. For leases of leasehold properties and plant and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).

- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).

- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Impairment of financial assets [Notes 3, 4, 6 and 7(a)] and contract assets [Note 8(a)]

The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group adopts the simplified approach and measures the loss allowance at an amount equal to the lifetime expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2024

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(i) Significant judgements used in applying accounting policies (Cont'd)

Impairment of financial assets [Notes 3, 4, 6 and 7(a)] and contract assets [Note 8(a)] (Cont'd)

For other receivables, the Group and the Company apply the general approach to determine ECL. ECL are measured as an allowance equal to 12-month ECL for stage-1 (low credit risk) assets, or lifetime ECL for stage-2 (deterioration in credit risk) or stage-3 (credit impaired) assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group and the Company consider qualitative and quantitative, reasonable and supportable forward-looking information. Lifetime ECL represent ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represent the portion of lifetime ECL expected to result from default events possible within 12 months after the reporting date.

The ECL assessment involves estimation uncertainty heightened by a slowdown in payment collections from the customers.

If the ECL increase/decrease by 10% from management estimates, the carrying amounts of the financial assets of the Group and the Company will decrease/increase by approximately $20,000 and $Nil (2023 - $22,000 and $1,092,000), respectively.

The carrying amounts of the Group's and the Company's financial assets and contract assets at the end of the reporting period are disclosed in Notes 3, 4, 6, 7(a) and 8(a) to the consolidated financial statements.

(ii) Key sources of estimation uncertainty

Impairment of non-financial assets [Notes 8(b), 12, 13, 14, 15 and 16]

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal ("FVLCD") and its value-in-use ("VIU"). The FVLCD calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The VIU calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the next three or five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash-generating unit being tested. The key assumptions in deriving the recoverable amount include discount rate used for the DCF model, as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

The FVLCD estimation is affected by the uncertainty caused by more volatile asset prices and currency exchange rates in countries in which the Group operates in. The VIU estimation is based on forecasted cash flows of the underlying business.

The carrying amounts of the Group's and the Company's non-financial assets are disclosed in Notes 8(b), 12, 13, 14, 15 and 16 to the consolidated financial statements. In 2024 and 2023, a decrease of 5% in each of the Group's and the Company's non-financial assets' recoverable amounts will not increase any impairment losses that had been provided on the Group's and the Company's non-financial assets.

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(ii) Key sources of estimation uncertainty (Cont'd)

Net realisable value of development properties (Note 10)

Development properties in the course of development and completed properties are stated at lower of cost and estimated net realisable value. When it is probable that the total development costs will exceed the total projected revenue, the amount in excess of net realisable value is recognised as an expense immediately. The process of evaluating the net realisable value of each property is subject to management judgement and the effect of assumptions in respect of development plans, timing of sale and the prevailing market conditions. Management performs cost studies for each development property, taking into account the costs incurred to date, the development status and costs to complete. Any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the respective properties.

There is uncertainty inherent in estimating net realisable value of the development properties due to increased volatility in their selling prices because there is still significant uncertainty in the recovery trajectory of the economy in the near future.

The carrying amount of the Group's development properties, including any write down to net realisable value, is disclosed in Note 10. In 2024 and 2023, an increase of 5% in total projected development costs will not lead to any allowance for diminution in value required for the Group's development properties.

Valuation of financial assets at FVOCI (Note 11)

In the current environment, the volatility of stock prices in the Singapore market has also increased which affects the financial assets at FVOCI directly, as the fair value is determined based on market prices in case of shares traded on an active market.

The carrying amount of the Group's and the Company's financial assets at FVOCI are disclosed in Note 11. If the fair value of the financial assets increase/decrease by 5%, the carrying amount of financial assets at FVOCI would increase/decrease by $234,000 (2023 - $261,000) at the Group level.

Valuation of financial assets at FVPL (Note 5)

The Group's investment in the limited partnership, HThree City Australian Commercial Fund 3, is subject to the terms and conditions of the limited partnership agreement as disclosed in Note 5. The investment in the limited partnership is primarily valued based on its latest audited financial statements. The Group reviews the details of the reported information obtained from the partnership and considers:

- The valuation of the limited partnership's underlying investments;
- The value date of the net asset value ("NAV") provided; and
- Cash flows (calls/distributions) since the latest value date.

If the fair value of the underlying investments, commercial real estates increase/decrease by 5%, the carrying amount of financial assets at FVPL would increase/decrease by $1,403,000 (2023 - $1,816,000) at the Group level.

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(ii) Key sources of estimation uncertainty (Cont'd)

Estimation of the incremental borrowing rate ("IBR") (Note 37)

For the purpose of calculating the right-of-use asset and lease liability, an entity applies the interest rate implicit in the lease ("IRIIL") and, if the IRIIL is not readily determinable, the entity uses its IBR applicable to the lease asset. The IBR is the rate of interest that the entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases whereby the Group are the lessee, the IRIIL is not readily determinable. Therefore, the Group estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments (such as a group entity's credit rating). The carrying amount of the Group's right-of-use assets and lease liabilities are disclosed in Notes 37(b) and 37(a) respectively. An increase/decrease of 50 basis points in the estimated IBR will decrease/increase the right-of-use assets and lease liabilities by approximately $57,000 and $46,000 (2023 - $50,000 and $43,000), respectively at the Group level.

Revenue recognition for development properties (Note 26)

The Group recognises contract revenue based on the stage of completion for the sale of development properties where the Group has enforceable rights to payment for performance completed to date. The stage of completion is measured by reference to certifications of the value of work performed to date as compared to the estimated total construction costs of the development projects. The Group is required to estimate the total construction costs which include estimation for variation works and any other claims from contractors. In making these estimates, the Group relies on past experience and the work of specialists. The amount of revenue recognised from development properties by the Group is therefore subject to uncertainty in respect of variation works and estimation of future costs.

The Group's revenue recognised from development properties for the year is disclosed in Note 26. If the estimated costs for variation works increase/decrease by 10%, there is no material impact to the Group's revenue for the year as the unexpected variation works remain minimum and immaterial.

Depreciation of investment properties (Note 15)

Investment properties of the Group and the Company are depreciated on a straight-line basis over their estimated useful lives.

The carrying amount of the Group's investment properties as at 31 January 2024 is $289,954,000 (2023 - $292,714,000).

If the actual useful lives of investment properties differ by 10% from management's estimates, the carrying amount of the investment properties of the Group will be approximately $335,000 (2023 - $352,000) higher or $409,000 (2023 - $430,000) lower, respectively.

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(ii) Key sources of estimation uncertainty (Cont'd)

Depreciation of property, plant and equipment (Note 16)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The carrying amounts of the Group's and the Company's property, plant and equipment as at 31 January 2024 are $294,457,000 (2023 - $298,289,000) and $4,055,000 (2023 - $4,212,000) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If the actual useful lives of property, plant and equipment differ by 10% from management's estimates, the carrying amounts of the property, plant and equipment of the Group and the Company will be approximately $597,000 (2023 - $639,000) lower or $730,000 (2023 - $781,000) higher and approximately $34,000 (2023 - $35,000) higher or $42,000 (2023 - $43,000) lower, respectively.

Deferred tax assets (Note 17)

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised. This involves judgement regarding future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. Management has assessed that it is reasonable to recognise deferred tax assets based on probable future taxable income. The carrying amount of the Group's deferred tax assets is disclosed in Note 17.

In the financial year ended 31 January 2024, a decrease of 10% in the probable future taxable income will not affect the amount of deferred tax assets recognised.

2(e) Material accounting policy information

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances. Information on its subsidiaries is given in Note 14 to the financial statements.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries and investees are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2(e) Material accounting policy information (Cont'd)

Consolidation (Cont'd)

When necessary, adjustments are made to the financial statements of subsidiaries or investees to bring their accounting policies in line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill, if any) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

- power over the investee;
- exposure, or rights or variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and

2(e) Material accounting policy information (Cont'd)

Consolidation (Cont'd)

- any additional facts and circumstances that indicate the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

In determining whether a particular set of activities and assets is a business, the Group assesses whether it includes, at a minimum, an input and substantive process, and whether it has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred for the acquisition of a subsidiary or business combination comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree, over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Net investment in a foreign operation

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income and are presented in the "currency translation reserve" in equity.

2(e) Material accounting policy information (Cont'd)

Investment properties

Investment properties include commercial buildings and those portions of office buildings that are held for long-term rental yields and/or for capital appreciation and land under operating leases that are held for long-term capital appreciation or for a currently indeterminate use, and where an insignificant portion is held for the Group's own occupation.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is computed using the straight-line method over its remaining lease period. Freehold land held as an investment property is not subject to depreciation. Freehold property is depreciated over 50 years.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers to or from investment properties are made when there is a change in use evidenced by:

- Commencement of owner's occupation, for a transfer from investment properties to property, plant and equipment;

- Commencement of development with a view to sell, for a transfer of investment properties to development properties;

- End of owner occupation, for a transfer from property, plant and equipment to investment properties; or

- Inception of an operating lease to another party, for a transfer from development properties to investment properties.

For transfer to investment properties from development properties for sale, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

For transfer from development properties to investment properties, any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in profit or loss.

2(e) Material accounting policy information (Cont'd)

Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost.

Subsequently to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Leasehold land	99 years
Leasehold buildings	3 to 50 years
Freehold properties (hotel)	50 years
Plant, machinery and surveying equipment	5 to 40 years
Motor vehicles	8 to 10 years
Furniture, fittings and equipment	3 to 15 years
Renovation	10 years

No depreciation is provided on assets under construction.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment, if any.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of the standard of performance of the asset before the expenditure was made will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other losses, net".

Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2(e) Material accounting policy information (Cont'd)

Investments in associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

In the Company's separate financial statements, investments in associates are stated at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Group unless it is impracticable to do so. When the financial statements of an associate used in applying the equity method are prepared as of a different reporting date from that of the Group (not more than three months apart), adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Group.

Upon loss of significant influence over the associate, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

2(e) Material accounting policy information (Cont'd)

Investments in associates (Cont'd)

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if that associate or joint venture had directly disposed of the related assets or liabilities.

When an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not re-measure the retained interest.

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group re-assesses whether the type of joint arrangement in which it is involved has changed when facts and circumstances change. The Group does not have any joint arrangement classified as joint operation.

<u>Joint ventures</u>

In the Company's separate financial statements, investments in joint ventures are stated at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method from the date on which it becomes a joint venture. On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

2(e) Material accounting policy information (Cont'd)

Joint arrangements (Cont'd)

Joint ventures (Cont'd)

Under the equity method, the investments in joint ventures are carried in the statements of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint ventures. The profit or loss reflects the share of results of the operations of the joint ventures. Where there has been a change recognised in other comprehensive income by the joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the joint ventures are eliminated to the extent of the interest in the joint ventures.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the joint ventures are prepared as of the same reporting date as the Group unless it is impracticable to do so. When the financial statements of a joint venture used in applying the equity method are prepared as of a different reporting date from that of the Group (not more than three months apart), adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Group.

Upon loss of joint control over the joint venture, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investments at the date the equity method was discontinued is recognised in profit or loss.

Leases

(i) The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

2(e) Material accounting policy information (Cont'd)

Leases (Cont'd)

(i) The Group as lessee (Cont'd)

(a) *Lease liability*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantee;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented within "Borrowings" in the statements of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

2(e) Material accounting policy information (Cont'd)

Leases (Cont'd)

(i) The Group as lessee (Cont'd)

(a) Lease liability (Cont'd)

The Group re-measures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

(b) Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset.

If a lease transfer ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

2(e) Material accounting policy information (Cont'd)

Leases (Cont'd)

(i) The Group as lessee (Cont'd)

(b) Right-of-use asset (Cont'd)

Right-of-use assets which meet the definition of an investment property are presented within "Investment properties" and accounted for in accordance with Note 2(e).

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

(ii) The Group as lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for a major part of the economic life of the asset.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term within "revenue" in profit or loss. Lease incentives if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in profit or loss when incurred.

Financial assets

Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

2(e) Material accounting policy information (Cont'd)

Financial assets (Cont'd)

Classification and measurement (Cont'd)

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, bank deposits pledged and trade and other receivables.

The Group's business model for these financial assets is by collecting the contractual cash flow where those cash flows represent solely payments of principal and interest, measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is de-recognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "fair value loss on financial assets at FVPL", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value losses on financial assets at FVOCI" in other comprehensive income. Dividends from equity investments are recognised in profit or loss as "dividend income".

Assessment of expected credit losses

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 40.5 details how the Group determines whether there has been a significant increase in credit risk.

2(e) Material accounting policy information (Cont'd)

Financial assets (Cont'd)

Assessment of expected credit losses (Cont'd)

For trade receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables, cash and cash equivalents and fixed deposits, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery (e.g., when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings), or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract costs

The Group pays sales commission to its intermediaries for each contract that they obtain for sale of development properties. The Group capitalises such commission as incremental costs to obtain a contract with the customer if these costs are recoverable. The capitalised costs are amortised to profit or loss as the Group recognises the related revenue.

2(e) Material accounting policy information (Cont'd)

Contract liabilities

Contract liabilities relate primarily to the progress billing issued in excess of the Group's right to the consideration in respect of its property development business.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost method, and includes all costs in bringing the inventories to their present location and condition.

Provision is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Development properties

Development properties are properties being constructed or developed for future sale. These include completed properties and those in the course of development. Costs capitalised include cost of land and other directly related development expenditure, including borrowing costs incurred in developing the properties.

Capitalisation of borrowing costs ceases at the earlier of Temporary Occupation Permit obtained or when the properties can be sold. The capitalisation rate is determined by reference to the actual rate payable on borrowings for development property, weighted as applicable.

Each property under development is accounted for as a separate project. Where a project comprises more than one component or phase with a separate Temporary Occupation Permit, each component or phase is treated as a separate project, and interest and other net costs are apportioned accordingly.

Upon completion of construction, development properties are transferred to completed development properties for sale.

Unsold development properties

Development properties that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less costs to complete development and selling expenses.

Sold development properties

Revenue and cost on development properties that have been sold are recognised using the percentage of completion method. The stage of completion is measured by reference to certifications of the value of work performed to date as compared to the estimated total construction costs of the development projects. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately.

Development properties are stated at the lower of cost and net realisable value. Net realisable value represents, the estimated selling price in the ordinary course of business, less estimated total costs of completion and selling expenses.

2(e) Material accounting policy information (Cont'd)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in bank, short term deposits and other short-term investments with maturities of three months or less at the time of placement or purchase that are subject to insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitment.

Share capital

Ordinary shares are classified as equity.

Financial liabilities

<u>Initial recognition and measurement</u>

Financial liabilities are recognised initially at fair value less directly attributable transaction costs. These financial liabilities comprise amount owing to subsidiaries, amount owing to non-controlling shareholders of subsidiaries, borrowings, lease liabilities and trade and other payables.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Financial guarantees

The Company has issued financial guarantees to banks for bank borrowings of its subsidiaries and joint ventures. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiaries and joint ventures fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

<u>De-recognition of financial liabilities</u>

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2(e) Material accounting policy information (Cont'd)

Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are de-recognised when the obligation is discharged, cancelled or expired. The difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Changes in basis for determining the contractual cash flows as a result of interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis i.e. the basis immediately before the change.

When changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. After that, the Group applies the policies on accounting for modifications to the additional changes.

Borrowing costs

Borrowing costs are recognised in profit or loss in "finance costs" using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to earlier of the readiness of sale of the development properties or issuance of the Temporary Occupation Permit, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2(e) Material accounting policy information (Cont'd)

Employee benefits

(i) Defined contribution plans

The Company and the Group participate in the defined contribution national pension schemes as provided by the laws of the countries in which they have operations. In particular, the Singapore incorporated companies in the Group contribute to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to CPF or other defined contribution plans are charged to the profit or loss in the period to which the contributions relate.

(ii) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the estimated liability of the unconsumed leave as a result of services rendered by employees up to the end of reporting period.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain managerial personnel are considered key management personnel.

Finance costs

Finance costs comprise interest expense on borrowings and lease liabilities. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if the Group currently has a legally enforceable right to offset the recognised amounts and it intends to either settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration of time value of money.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

2(e) Material accounting policy information (Cont'd)

Provisions (Cont'd)

The Group reviews the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs.

Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received, and the Group will comply with all the attached conditions.

Government grants received are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and affects neither accounting or taxable profit or loss and does not give rise to equal taxable and deductible temporary differences at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred tax assets and liabilities are recognised on transactions that, on initial recognition, give rise to equal amounts of deductible and taxable temporary differences, arising from leases.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

2(e) Material accounting policy information (Cont'd)

Income taxes (Cont'd)

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Impairment of non-financial assets

As at each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. If any such indication exists, the asset's recoverable amount is estimated.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Revenue recognition

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or extending a service to the customer, which is when the customer obtains control of the good or derived benefits from the usage of the service. A performance obligation may be satisfied at a point in time or over time. If a performance obligation is satisfied over time, the revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that performance obligation. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2024

2(e) Material accounting policy information (Cont'd)

Revenue recognition (Cont'd)

Hotel management services

Fees from hotel management services are recognised over the period when services are rendered.

Revenue from serviced apartments, hotel and restaurant operations

Revenue from serviced apartments, hotel and restaurant operations is recognised over the period in which the accommodation and related services are provided, except for revenue from the sale of food and beverages, which is recognised at a point in time when the food and beverages are delivered.

Revenue from property development - sale of development properties

Revenue from the sale of development properties is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer at a point in time or over time.

For development properties where the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset, such as when the property is accepted by the customer, or deemed as accepted according to the contract, or when title has passed to the customer.

For development properties where the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the stage of completion of the properties. The stage of completion is measured by reference to the proportion of the total construction cost incurred to date, as per certification by quantity surveyors, to the estimated total construction costs. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. Payment is typically due within two weeks. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

The period between the transfer of the promised goods and payment by the customer may exceed one year. For such contracts, the Group adjusts the promised amount of consideration for the effect of a financing component, if significant.

Revenue from construction contracts

The Group constructs properties for customers as general building contractors through fixed-price contracts. Contract revenue is recognised when the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

2(e) Material accounting policy information (Cont'd)

Revenue recognition (Cont'd)

Revenue from construction contracts (Cont'd)

For these contracts, revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on the value of work performed relative to the total contract value as determined by surveys of work performed ("output method"). Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

In some circumstances such as in the early stages of a contract where the Group may not be able to reasonably measure its progress but expects to recover the contract costs incurred, contract revenue is recognised only to the extent of the contract costs incurred until such time when the Group can reasonably measure its progress.

Contract modifications that add distinct goods or services at their standalone selling prices are accounted for as separate contracts. Contract modifications that add distinct goods or services but not at their standalone selling prices are accounted for as a continuation of the existing contract. The Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations. Contract modifications that do not add distinct goods or services are accounted for as a continuation of the original contract and the change is recognised as a cumulative adjustment to revenue at the date of modification.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The period between the transfer of the promised services and customer payment may exceed one year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect the customers from the performing entity's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

The customer is invoiced on a milestone payment schedule. If the value of the goods transferred by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (eg. inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relate less the costs that relate directly to providing the goods and that have not been recognised as expenses.

2(e) Material accounting policy information (Cont'd)

Revenue recognition (Cont'd)

Interest income

Interest income is recognised on a time-apportioned basis using the effective interest rate method.

Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

Revenue from property investments - rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

Foreign currency transactions and translation

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. As at each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollar using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of currency translation reserve.

2(e) Material accounting policy information (Cont'd)

Foreign currency transactions and translation (Cont'd)

On the disposal of a foreign operation (i.e. disposal of the Group's entire interest in a foreign operation, or disposal involving loss of control over a subsidiary that includes a foreign operation, loss of significant influence over an associate that includes a foreign operation, or loss of joint control over a jointly controlled entity that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are de-recognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of currency translation reserve.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends, if any, are simultaneously proposed and declared, because the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

   (i) has control or joint control over the Company;

   (ii) has significant influence over the Company; or

   (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

2(e) Material accounting policy information (Cont'd)

Related parties (Cont'd)

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) the entity, or any member of a group which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Current and non-current classification

The Group presents assets and liabilities in the statements of financial position based on current or non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

2(e) Material accounting policy information (Cont'd)

Current and non-current classification (Cont'd)

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its 'highest-and-best use' or by selling it to another market participant that would use the asset in its 'highest-and-best use'.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value-in-use in SFRS(I) 1-36 *Impairment of Assets.*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are unobservable.

Operating segments

For management purposes, operating segments are organised based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers are directly accountable to the Executive Chairman and the Managing Director who regularly review the segment results in order to allocate resources to the segments and to assess segment performance.

2(e) Material accounting policy information (Cont'd)

Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares.

Financial instruments

Financial instruments carried on the statements of financial position include cash and cash equivalents, financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. These instruments are recognised when contracted for.

Disclosures on financial risk management objectives and policies are provided in Note 40.

3 Cash and cash equivalents

	The Group		The Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Cash on hand	**18**	13	**6**	6
Cash at banks	**34,922**	42,624	**4,011**	3,399
	34,940	42,637	**4,017**	3,405
Fixed deposits with maturity of three months or less from date of placement	**36,272**	257	**35,272**	257
	71,212	42,894	**39,289**	3,662

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Singapore dollar	**64,881**	32,838	**38,796**	2,766
Australian dollar	**729**	1,599	**214**	119
Malaysian Ringgit	**210**	749	**50**	560
Chinese Renminbi	**5,162**	7,491	**–**	–
United States dollar	**230**	217	**229**	217
	71,212	42,894	**39,289**	3,662

3 Cash and cash equivalents (Cont'd)

The Group

Chinese Renminbi is not freely convertible into foreign currencies. However, under People's Republic of China's ("PRC") Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange Chinese Renminbi for other currencies through banks that are authorised to conduct foreign exchange business. The remittance of these funds maintained with banks in the PRC by the Group out of the PRC is subject to currency exchange restrictions.

The fixed deposits carry an effective interest rate of 3.89% (2023 - 3.98%) per annum which mature on varying dates between the earliest, 5 February 2024 (2023 - 2 February 2023) and the latest, 30 April 2024 (2023 - 6 February 2023).

Fixed deposits that are not pledged and mature in 3 months or less from the date of placement are classified as part of cash and cash equivalents. Further information about the financial risk management is disclosed in Note 40.

The Company

The fixed deposits carry an effective interest rate of 3.91% (2023 - 3.98%) per annum which mature on varying dates between the earliest, 5 February 2024 (2023 - 2 February 2023) and the latest, 30 April 2024 (2023 - 6 February 2023).

Fixed deposits that are not pledged and mature in 3 months or less from the date of placement are classified as part of cash and cash equivalents. Further information about the financial risk management is disclosed in Note 40.

4 Fixed deposits

The Group

Included in fixed deposits of $12,441,000 (2023 - $7,493,000) are fixed deposits aggregating $8,389,000 (2023 - $3,600,000) placed by subsidiaries as security for bank borrowings amounting to a total of $326,360,000 (2023 - $150,060,000) (Note 21), as well as a fixed deposit of $4,052,000 (2023 - $3,893,000) pledged as cash collateral for Qualifying Certificate Bond for a development project.

The fixed deposits carry interest at an effective interest rate of 3.16% (2023 - 2.71%) per annum and mature on 29 February 2024 (2023 - 27 February 2023), being the earliest date and 3 January 2025 (2023 - 3 January 2024), being the latest date. Fixed deposits are denominated in Singapore dollar.

Further information about the financial risk management is disclosed in Note 40.

5 Financial assets at FVPL

The Group	Note	2024 $'000	2023 $'000
Investment in limited partnership			
Balance at beginning of year		**36,320**	15,708
Additions		**848**	23,625
Fair value loss	32	**(7,543)**	(1,156)
Exchange difference		**(1,557)**	(1,857)
Balance at end of year		**28,068**	36,320

The investment is mandatorily measured at fair value through profit or loss.

Investment in limited partnership

During the financial year ended 31 January 2024, the Group, through its wholly-owned subsidiary Glocity Capital Pte. Ltd. ("Glocity"), made capital contributions of $848,000 (2023 - $23,625,000) in cash to HThree City Australian Commercial Fund 3 LP (the "Partnership").

The objective of the Partnership is to invest in commercial real estate assets located in Australia. The Group's joint venture entity, HThree City Australia Pte. Ltd. ("HThree City"), is the investment manager to the Partnership (the "Investment Manager"). HThree City ACF3 GP Pte. Ltd., a wholly-owned subsidiary of HThree City, is the general partner of the Partnership (the "General Partner"). Details on these entities can be found in Note 12 to the financial statements.

The Investment Manager manages the partnership. The partnership primarily serves as a feeder vehicle for the purpose of pooling the interests of the investors. The General Partner, on behalf of the Partnership, will be the sole shareholder of HThree City ACF3 MSPV Pte. Ltd. (the "Master Fund") and shall procure that the business and affairs of the Master Fund shall be conducted and managed in a manner consistent with the limited partnership agreement. The Master Fund will make, manage and dispose of investments in accordance with investment guidelines.

As at 31 January 2024, Glocity has undrawn capital commitment of $4,334,000 (2023 - $5,438,000) to the Partnership (Note 43.1), which will be paid as capital contributions to the Partnership as and when the Partnership issues capital calls to its limited partners.

The fair value measurement was categorised as Level 3 fair value based on the inputs in the valuation technique used. Further information about the fair value measurement is disclosed in Note 41.

6 Trade and other receivables

The Group	Note	2024 $'000	2023 $'000
Current			
Trade receivables			
Trade receivables			
- Third parties		**19,019**	25,172
- Associate		**815**	2,373
		19,834	27,545
Accrued rental income		**252**	122
Accrued billings		**82**	272
		20,168	27,939
Loss allowance of trade receivables			
Balance at beginning of year		**(177)**	(647)
Allowance during the year	29	**(22)**	–
Allowance written back	27(b)	**–**	358
Allowance written off		**–**	112
Balance at end of year		**(199)**	(177)
Net trade receivables	(i)	**19,969**	27,762
Other receivables			
GST receivable		**–**	60
Interest receivable - banks		**167**	15
Amount owing by joint ventures		**1,923**	1,237
Deposits		**440**	354
Prepayments		**3,191**	1,336
Recoverable expenses		**1,244**	1,256
Sundry debtors		**91**	133
		7,056	4,391
Loss allowance of other receivables			
Balance at beginning of year		**(44)**	(57)
Allowance written off		**44**	13
Balance at end of year		**–**	(44)
Net other receivables	(ii)	**7,056**	4,347
Total	(i) + (ii)	**27,025**	32,109
Non-current			
Trade receivables			
Accrued rental income		**160**	162
Retention money - associate		**550**	1,100
	(iii)	**710**	1,262
Grand total	(i) + (ii) + (iii)	**27,735**	33,371

6 Trade and other receivables (Cont'd)

The Company	Note	2024 $'000	2023 $'000
Current			
Trade receivables			
Trade receivables			
- Third parties		**1**	2
- Associate of the Group		**815**	2,373
Net trade receivables	(i)	**816**	2,375
Other receivables			
GST receivable		**–**	60
Interest receivable - banks		**89**	2
Deposits		**148**	148
Prepayments		**2,532**	778
Recoverable expenses		**1,189**	1,185
Sundry debtors		**59**	106
		4,017	2,279
Loss allowance of other receivables			
Balance at beginning of year		**(44)**	(44)
Allowance written off		**44**	–
Balance at end of year		**–**	(44)
Net other receivables	(ii)	**4,017**	2,235
Total	(i) + (ii)	**4,833**	4,610
Non-current			
Trade receivables			
Retention money			
- Associate of the Group		**550**	1,100
- Subsidiary		**5,753**	3,843
	(iii)	**6,303**	4,943
Grand total	(i) + (ii) + (iii)	**11,136**	9,553

Trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2024 $'000	2023 $'000	**2024 $'000**	2023 $'000
Singapore dollar	**26,750**	32,484	**11,136**	9,553
Australian dollar	**984**	886	**–**	–
Chinese Renminbi	**1**	1	**–**	–
	27,735	33,371	**11,136**	9,553

As at 1 February 2023, the Group's and the Company's gross trade receivables from contracts with customers amounted to $27,939,000 and $2,375,000 (2022 - $6,919,000 and $1,903,000), respectively.

6 Trade and other receivables (Cont'd)

All receivables are subject to credit risk exposure where the credit terms are generally between 30 days and 90 days (2023 - 30 days and 90 days), excluding the retention money withheld. Retention money from construction works withheld will be paid upon the issuance of final payment certificates from architects. The Group does not identify specific concentrations of credit risk with regards to trade and other receivables, as the amounts recognised resemble a large number of receivables from various customers.

The trade receivables ageing is generally between 30 days and 90 days (2023 - 30 days and 90 days).

Accrued rental income is the rental for the free fit out period and rental waiver given to certain tenants to be amortised over the lease term.

Accrued billings relate to additional rental income that has yet to be billed as at the end of the reporting period.

The non-trade amounts owing by joint ventures represent advances, which are unsecured and interest-free and repayable on demand.

The information regarding the credit risk exposures is disclosed in Note 40.5.

7(a) Amount owing by subsidiaries (non-trade)

The Company	**2024 $'000**	2023 $'000
Amounts owing by subsidiaries (non-trade)	**15,026**	13,582
Loss allowance on amounts owing by subsidiaries (non-trade)		
Balance at beginning of year	**(10,874)**	(10,874)
Allowance during the year	**(1,080)**	–
Balance at end of year	**(11,954)**	(10,874)
	3,072	2,708

The non-trade amounts owing by subsidiaries represent advances, which are unsecured and interest-free. They are repayable on demand.

An impairment of $1,080,000 (2023 - $Nil) had been provided for amounts owing by subsidiaries due to significant increase in credit risk, given a subsidiary had been suffering financial losses for the current and previous financial years. These receivables are not secured by any collateral or credit enhancements. The information regarding the credit risk exposures is disclosed in Note 40.5.

The non-trade amounts owing by subsidiaries are denominated in the following currencies:

The Company	**2024 $'000**	2023 $'000
Singapore dollar	**3,004**	2,614
Australian dollar	**68**	94
	3,072	2,708

7(b) Amount owing to subsidiaries (non-trade)

The non-trade amounts of $11,140,000 (2023 - $10,012,000) owing to subsidiaries represent advances, which are unsecured and interest-free. They are repayable on demand.

The non-trade amounts owing to subsidiaries are denominated in Singapore dollar.

8(a) Contract assets

	The Group		The Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Contract assets	**112,958**	8,376	**5,586**	4,964

The contract assets relate primarily to the Group's and the Company's right to recognise revenue for percentage of work completed but not yet billed at the reporting date on the sold development properties and property construction contracts. Upon fulfilling certain agreed performance milestones with customers or commissioning and handing over of projects to customers, the amounts recognised as contract assets are reclassified to trade receivables when the rights become unconditional. The information regarding the credit risk exposures is disclosed in Note 40.5.

Increases in contract assets during the reporting period at Group and Company level were due to increase in completion of work that has yet to be invoiced to the customers and 82 units (2023 - 5 units) sold during the year.

Significant changes in the contract assets during the period are as follows:

	The Group		The Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Contract assets reclassified to trade receivables	**(8,376)**	(24,829)	**(4,964)**	(2,167)
Changes in measurement of progress	**112,958**	8,376	**5,586**	4,964

Unsatisfied performance obligations

The Group	**2024** **$'000**	2023 $'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at end of financial year:		
- Construction contracts of residential properties under construction	**1,535**	8,192
Transaction price allocated to unsatisfied performance obligations as at end of financial year may be recognised as revenue in the next reporting periods as follows:		
- FY 2024	**–**	8,192
- FY 2025	**1,535**	–
	1,535	8,192

8(b) Contract costs

The Group	Note	2024 $'000	2023 $'000
Costs to obtain sales contracts for development properties:			
Balance at beginning of year		**1,652**	1,018
Addition		**23,844**	1,176
Amortisation	32	**(14,554)**	(542)
Balance at end of year		**10,942**	1,652

Costs to obtain sale contracts for development properties relate to incremental commission fees paid to intermediaries as a result of obtaining residential property sales contracts. These costs are amortised on a straight-line basis over the period of construction as this reflects the period over which the residential property is transferred to the customer.

Amortisation of contract costs amounting to $14,554,000 (2023 - $542,000) are recognised within "distribution costs" in the consolidated profit or loss. There has been no impairment loss recognised on the contract costs for the financial years ended 31 January 2024 and 2023.

8(c) Contract liabilities

The Group	2024 $'000	2023 $'000
Revenue recognised in the current period that were included in contract liabilities at beginning of year	**–**	1,554

A contract liability is recognised when the Group bills in advance to customers for their purchase of development properties under construction in advance of the percentage of completion of construction, and then subsequently released to revenue recognised when the corresponding stage of completion is achieved.

No contract liabilities were recognised at the end of the reporting periods due to no advanced sales consideration received for development properties under construction.

9 Inventories

The Group	2024 $'000	2023 $'000
At cost:		
Hotel supplies	**127**	176
Restaurant supplies	**197**	163
	324	339
Cost of inventories included in cost of sales	**2,664**	2,466

Inventories of $324,000 (2023 - $339,000) are expected to be realised within 12 months from the reporting date.

10 Development properties

The Group	Note	**2024 $'000**	2023 $'000
Properties in the course of development	10(a)	**321,341**	543,840

10(a) Properties in the course of development

The Group	**2024 $'000**	2023 $'000
Properties in the course of development:		
- Land and other related costs	**248,023**	501,829
- Development costs	**73,318**	42,011
	321,341	543,840
Cost of development properties included in cost of sales	**261,744**	13,447

10(b) Completed development properties for sale

The Group	**2024 $'000**	2023 $'000
Completed development properties for sale	**–**	11,995
Sales during the year	**–**	(11,995)
Balance at end of year	**–**	–
Cost of development properties included in cost of sales	**–**	9,308

Development properties of the Group have operating cycles longer than one year. Development properties are classified as current assets as they are intended for sale in the Group's normal operating cycle. Development properties amounting to $Nil (2023 - $543,840,000) are expected to be recovered after more than 12 months from the reporting date.

Details of development properties as at the end of reporting period are as follows:

Name/Location	Description of development	Tenure/ Group's interest in property	Site area (sq. metres)	Estimated gross floor area (sq. metres)	Stage of completion/ Expected date of TOP
71 Cairnhill Road, Klimt Cairnhill, Singapore	A 36-storey residential development (138 units) with carpark, pool and communal facilities	Freehold land/ 100%	5,844	21,890	58%/ Q1 FY2026

10 Development properties (Cont'd)

10(b) Completed development properties for sale (Cont'd)

As at the end of reporting period, the development properties have been pledged to a financial institution to secure bank borrowings (Note 21).

Notes:

The Group had amalgamated 67 and 69 Cairnhill Road into 71 Cairnhill Road and is redeveloping the combined site into a high-end residential condominium. During the financial year, an independent professional valuer, Knight Frank Pte. Ltd., valued the property under development to be $596,000,000 (2023 - $632,930,000) as at 31 January 2024 using the Direct Comparison Method and Residual Value Method. Construction for Klimt Cairnhill was 58% (2023 – 31%) completed as at 31 January 2024.

11 Financial assets at FVOCI

The Group	**2024** **$'000**	2023 $'000
Quoted equity investments		
Balance at beginning of year	**5,214**	13,458
Exchange differences	**–**	(5)
Disposals	**–**	(7,893)
Fair value gain transfer to retained earnings on disposal [Notes 23(b), 24]	**–**	(260)
Fair value loss recognised in other comprehensive loss (Note 24)	**(538)**	(86)
Balance at end of year	**4,676**	5,214

The quoted equity instruments are held for medium to long term purposes, and for capital appreciation, and are accounted as FVOCI. The fair value of quoted equity investments is determined by reference to stock exchange quoted bid closing prices.

In the previous financial year, the Group disposed certain listed equity securities as these investments were no longer aligned with the Group's long-term investment strategy. These investments had a fair value of $8,153,000 at the date of disposal, and the cumulative gain on disposal amounted to $260,000, net of tax. The cumulative gain on disposal was reclassified from fair value reserve to retained profits [Notes 23(b) and 24].

Further information about the financial risk management and the fair value measurement is disclosed in Notes 40 and 41, respectively.

12 Joint ventures

		The Group		The Company	
		2024	2023	**2024**	2023
	Note	**$'000**	$'000	**$'000**	$'000
Unquoted equity investments		**654**	654	**540**	540
Share of accumulated losses in joint ventures		**(89)**	(28)	**–**	–
Exchange fluctuation difference		**(303)**	(280)	**–**	–
	(i)	**262**	346	**540**	540
Amounts owing by joint ventures (non-trade)		**12,671**	12,475	**12,671**	12,475
Exchange fluctuation difference		**(3,393)**	(2,565)	**(3,393)**	(2,565)
	(ii)	**9,278**	9,910	**9,278**	9,910
Impairment loss on investments in joint ventures:					
Balance at beginning of year		–	–	–	–
Impairment loss during the year		**(181)**	–	**(740)**	–
Balance at end of year	(iii)	**(181)**	–	**(740)**	–
Carrying amount of joint ventures	(i) + (ii) + (iii)	**9,359**	10,256	**9,078**	10,450
Share of results of joint ventures, net of tax		**(61)**	(183)	**–**	–

The non-trade amounts owing by joint ventures are regarded as an extension of the Group's and the Company's net investments in the joint ventures because they are neither planned nor likely to be settled in the foreseeable future. They represent net investment with indeterminable repayments. These non-trade amounts owing are unsecured, interest-free and denominated in Malaysian Ringgit.

All of the joint ventures are accounted for using the equity method in these consolidated financial statements.

During the financial years ended 31 January 2024 and 2023, the Company assessed the carrying amounts of its investments in joint ventures for indicators of impairment. Based on the assessment, impairment loss of $181,000 (2023 - $Nil) is recognised at the Group level and $740,000 (2023 - $Nil) is recognised at the Company level, as certain joint ventures are in a net liability position and are incurring losses in the current and previous financial years.

12 Joint ventures (Cont'd)

Details of the joint ventures at the end of the reporting period are as follows:

	Name of joint venture	Country of incorporation/ principal place of business	Proportion of ownership interests and voting rights held by the Group		Principal activities
			2024	2023	
			%	%	
	Held by the Company				
(1)	Bina Meganmas Sdn. Bhd. ("Bina Meganmas")	Malaysia	**49**	49	To build bungalow lots at Bandar Seri Alam, Johor
(2)	Promatik Emas Sdn. Bhd. ("Promatik Emas")	Malaysia	**25**	25	Developed Panaroma, a parcel of land at Persiaran Hampshire, Kuala Lumpur
	Held by Glocity Capital Pte. Ltd.				
(3)	HThree City Australia Pte. Ltd. ("HThree City")	Singapore	**33**	33	Property fund management
	Held by HThree City Australia Pte. Ltd.				
(4)	HThree City ACF3 GP Pte. Ltd.	Singapore	**33**	33	Act as general partner to the partnership and as a trustee
(4)	HThree City ACF3 Head Pty. Ltd.	Australia	**33**	33	Act as trustee
	Held by HThree City ACF3 Head Pty. Ltd.				
(4)	HThree ACF3 Sub Pty. Ltd.	Australia	**33**	33	Act as trustee
	Held by Paya Lebar Square Pte. Ltd.				
(5)	Paya Lebar Central Partnership Ltd.	Singapore	**33**	33	Management consultancy services

Notes:

(1) Audited by Crowe Malaysia PLT.

(2) Audited by PricewaterhouseCoopers, Malaysia. The entity is a subsidiary of UOL Group Limited, a public company listed on the Singapore Exchange. The results of this joint venture are based on audited results as of 31 December 2023, which is within three months of the Group's financial year-end. No adjustments were made to these joint ventures' financial results as in the opinion of the directors, there were no material transactions and events that had occurred in the intervening period.

(3) Audited by Ernst & Young LLP, Singapore. The shareholders of HThree City are Glocity Capital Pte. Ltd., Holland Hill Holding Pte. Ltd. and Adelanto Investments Pte. Ltd. The results of the joint venture and its subsidiaries are based on audited results as of 31 December 2023, with adjustments made to reflect financials for the 12-month period ending on 31 January 2024, for the Group consolidation purpose.

(4) Not audited as they are dormant and not required to be audited in the country of establishment.

(5) Not audited as the entity was dormant and not required to be audited in the country of establishment. Under liquidation as at 31 January 2024. On 4 March 2024, the joint venture was struck off on from the Registrar of Companies under Section 344A of the Companies Act 1967.

12 Joint ventures (Cont'd)

In accordance with Rule 716 of the Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its joint ventures would not compromise the standard and effectiveness of the audit of the Group and of the Company.

Details of material joint ventures

Bina Meganmas is a strategic partner for the Group's property development business in Johor, Malaysia.

Summarised financial information in respect of the Group's material joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with SFRS(I), adjusted by Group for equity accounting purposes.

Summarised statement of financial position

	Bina Meganmas	
	2024	2023
	$'000	$'000
Current assets	**1,297**	1,411
Includes		
- Cash and cash equivalents	**10**	7
Non-current assets	**17,772**	19,286
Current liabilities	**(243)**	(265)
Includes		
- Financial liabilities (excluding trade and other payables and provisions)	**(240)**	(262)
Non-current liabilities	**(19,116)**	(20,598)
Includes		
- Financial liabilities (excluding trade and other payables and provisions)	**(19,116)**	(20,598)
Net liabilities	**(290)**	(166)

Summarised statement of comprehensive income

	Bina Meganmas	
	2024	2023
	$'000	$'000
Net loss and total comprehensive loss for the year	**(142)**	(126)

12 Joint ventures (Cont'd)

Details of material joint ventures (Cont'd)

Summarised statement of comprehensive income (Cont'd)

The above loss for the year includes the following:

	Bina Meganmas	
	2024	2023
	$'000	$'000
Interest expense	**47**	51

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint ventures recognised in the consolidated financial statements is as follows:

	Bina Meganmas $'000	Immaterial joint ventures $'000	Total $'000
2024			
Net (liabilities)/assets of joint ventures	**(290)**	**1,199**	**909**
Group's share of net assets	**(142)**	**404**	**262**
Amounts owing by joint ventures	**9,278**	**–**	**9,278**
Impairment losses recognised	**(181)**	**–**	**(181)**
Carrying amount of joint ventures	**8,955**	**404**	**9,359**
2023			
Net (liabilities)/assets of joint ventures	(166)	1,253	1,087
Group's share of net assets	(87)	433	346
Amounts owing by joint ventures	9,910	–	9,910
Carrying amount of joint ventures	9,823	433	10,256

There is no dividend received from joint venture during the current and previous financial years.

Aggregate information of joint ventures that are not individually material

The Group	**2024 $'000**	2023 $'000
Share of profit after taxation and total comprehensive income for the year	**6**	3

The unrecognised share of profit of joint ventures for the year is $21,000 (2023 - $70,000) and the cumulative unrecognised share of loss of joint ventures is $139,000 (2023 - $160,000).

There are no contingent liabilities relating to the Group's interest in the joint ventures.

13 Associated companies

The Group	Note	2024 $'000	2023 $'000
Unquoted equity investments, at cost		**5,710**	5,710
Share of associated companies' post-acquisition profits		**3,930**	1,105
Exchange fluctuation difference		**(3,189)**	(2,724)
	(i)	**6,451**	4,091
Amounts owing by associated companies (non-trade)		**27,064**	25,084
Exchange fluctuation difference		**(3,018)**	(2,093)
	(ii)	**24,046**	22,991
Impairment loss on investments in associated companies:			
Balance at beginning of year		**–**	–
Impairment loss during the year		**(179)**	–
Balance at end of year	(iii)	**(179)**	–
Carrying amount of associated companies	(i) + (ii) + (iii)	**30,318**	27,082
Share of results of associated companies, net of tax		**2,825**	(2,017)

These associated companies are accounted for using the equity method in these consolidated financial statements of the Group.

The non-trade amounts owing by associated companies are regarded as an extension of the Group's net investments in the associated companies because they are neither planned nor likely to be settled in the foreseeable future. They represent net investment with indeterminable repayments. These non-trade amounts owing are unsecured and interest-free. It is denominated in the following currencies:

The Group	2024 $'000	2023 $'000
Singapore dollar	**13,048**	12,408
Malaysian Ringgit	**10,998**	10,583
	24,046	22,991

During the financial year ended 31 January 2024 and 2023, the Group assessed the carrying amounts of its investments in associates for indicators of impairment. Based on the assessment, impairment loss of $179,000 (2023 - $Nil) is recognised, as an associate has been incurring losses for the current and previous financial years.

13 Associated companies (Cont'd)

Details of the associated companies at the end of the reporting period are as follows:

	Name	Country of incorporation/ principal place of business	Proportion of ownership interests and voting rights held by the Group		Principal activities
			2024	2023	
			%	%	
	Held by Prodev Pte. Ltd.				
(1)	Binakawa Sdn. Bhd. ("Binakawa")	Malaysia	**49**	49	Property development and investment holding
	Held by LKHS Development Pte. Ltd.				
(2), (3)	Dalvey Breeze Development Pte. Ltd. ("Dalvey")	Singapore	**40**	40	Property development

Notes:

(1) Audited by Crowe Malaysia PLT.

(2) Audited by UHY Lee Seng Chan & Co. Singapore, reporting period 31 March.

(3) The associated company is a subsidiary of KOP Limited, a public company listed on the Singapore Exchange. The results of the company are based on unaudited results as of 31 January 2024 and 2023 for the Group consolidation purpose.

In accordance with Rule 716 of the Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its associated companies would not compromise the standard and effectiveness of the audit of the Group and of the Company.

Dalvey and Binakawa act as strategic partners of the Group in the property development business in Singapore and Malaysia, respectively.

Sale of PRE 13 and PSI

The Group disposed its entire equity interests in PRE 13 Pte. Ltd. ("PRE13") and Perennial Shenton Investors Pte. Ltd. ("PSI") in April 2022 and May 2022, respectively. Huatland Development Pte. Ltd., a wholly owned-subsidiary of the Company, previously held a 20% equity interest in each of PRE13 and PSI.

PSI was a strategic partner in the properties leasing business for office units, up until the sale of its 100% subsidiary, Perennial Shenton Holding Pte. Ltd. ("PSH"), on 30 June 2020. Subsequently, PSI became dormant and its role as the Group's strategic partner in the property leasing business was undertaken by PRE13. PRE13 holds a 50% stake in PSH, who in turn owns a 100% equity stake in Perennial Shenton Properties Pte. Ltd. ("PSP"). PSP is the owner of AXA Tower, a 50-storey landmark Grade A office development with a retail podium, strategically sited within Singapore's Central Business District.

PRE13 acted as strategic partner in the properties leasing business for office units and the redevelopment of AXA Tower.

13 Associated companies (Cont'd)

Sale of PRE13 and PSI (Cont'd)

These transactions resulted in a loss on disposal as set out below:

	PRE13 $'000	PSI $'000	Total $'000
Cash consideration for disposal of investment in associates	994 [(1)]	395	1,389
Less: Carrying amount of investment at date of disposal	(24,290) [(2)]	(402)	(24,692)
Loss on disposal of investment	(23,296)	(7)	(23,303)

(1) Consideration for PRE13 is presented net of post-completion adjustments.

(2) Carrying amount of PRE13 includes discount implicit in shareholder loans to associate, amounting to $23,083,000. Huatland's 20% share of PRE13's net assets as at date of disposal, adjusted by Group for equity accounting purposes, is $1,207,000.

	PRE13 $'000
Net assets attributable to the Group	1,207
Net assets attributable to other shareholders	4,828
Net assets of PRE13 as at date of disposal	6,035

The disposal also resulted in an early repayment of the shareholder loan due from PRE13. This transaction resulted in a gain on early repayment of shareholder loan as set out below:

	Total $'000
Cash consideration for early repayment of shareholder loan	43,761
Less: Carrying amount of shareholder loan at date of repayment	
Principal amount of shareholder loan	(59,761)
Discount implicit in shareholder loan to associate[(3)]	23,083
Notional interest on shareholder loan	(2,300)
Carrying amount of shareholder loan at date of repayment	(38,978)
Gain on early repayment of shareholder loan	4,783

(3) A discount rate of 5% per annum has been applied to calculate the financial asset to its fair value at initial recognition and notional interest, up till the original repayment date, 31 December 2030. The amount is non-trade, unsecured, interest-free and denominated in Singapore dollar.

13 Associated companies (Cont'd)

Details of associated companies

Summarised financial information in respect of each of the Group's associated companies is set out below. The summarised financial information below represents amounts shown in the associated companies' financial statements prepared in accordance with SFRS(I), adjusted by Group for equity accounting purposes.

Summarised statement of financial position

	Dalvey		Binakawa	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Current assets	**69,908**	113,238	**674**	839
Current liabilities	**(5,390)**	(3,971)	**(25,542)**	(24,972)
Non-current assets	**154**	500	**35,130**	38,272
Non-current liabilities	**(60,666)**	(113,555)	**(362)**	(2,682)
Net assets/(liabilities)	**4,006**	(3,788)	**9,900**	11,457

Summarised statement of comprehensive income

	Dalvey		Binakawa	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Revenue	**81,562**	13,139	**–**	491
Profit/(loss) from continuing operations	**8,574**	(2,602)	**(616)**	(557)
Post-tax profit/(loss) from continuing operations, representing total comprehensive income/(loss)	**7,731**	(2,602)	**(616)**	(557)

There is no dividend received from associates in current and previous financial years.

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associated companies recognised in the consolidated financial statements is as follows:

	Dalvey	Binakawa	Total
	$'000	$'000	$'000
2024			
Net assets	**4,006**	**9,900**	**13,906**
Group's share of net assets	**1,602**	**4,849**	**6,451**
Amount owing by associated companies	**13,048**	**10,998**	**24,046**
Impairment losses recognised	**–**	**(179)**	**(179)**
Carrying amount	**14,650**	**15,668**	**30,318**

13 Associated companies (Cont'd)

Details of associated companies (Cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associated companies recognised in the consolidated financial statements is as follows (Cont'd):

	Dalvey $'000	Binakawa $'000	Total $'000
2023			
Net (liabilities)/assets	(3,788)	11,457	7,669
Group's share of net (liabilities)/assets	(1,516)	5,607	4,091
Amount owing by associated companies	12,408	10,583	22,991
Carrying amount	10,892	16,190	27,082

There are no contingent liabilities relating to the Group's interest in the associated companies.

14 Subsidiaries

The Company	**2024 $'000**	2023 $'000
Unquoted equity investments		
Balance at beginning	**55,686**	58,916
Disposal during the year	**–**	(3,230)
Balance at end of year	**55,686**	55,686
Discount implicit in non-current loan to subsidiaries	**66,392**	90,063
Amounts owing by subsidiaries (non-trade):		
- Interest-free	**517,020**	584,273
	639,098	730,022
Impairment loss on investments in subsidiaries		
Balance at beginning of year	**(29,683)**	(19,632)
Allowance for the year	**(10,442)**	(10,223)
Allowance no longer required	**–**	172
Balance at end of year	**(40,125)**	(29,683)
Total	**598,973**	700,339

The non-trade amounts owing by subsidiaries of $517,020,000 (2023 - $584,273,000) are regarded as an extension of the Company's net investments in the subsidiaries because they are neither planned nor likely to be settled in the foreseeable future. They represent net investment with indeterminable repayments. The non-trade amounts are unsecured and interest-free and is repayable at the discretion of borrower.

During the financial year ended 31 January 2024, the Company assessed the carrying amounts of its investments in subsidiaries for indicators of impairment. Based on this assessment, the Company recognised an impairment loss totalling $10,442,000 (2023 - $10,223,000) mainly due to its subsidiaries incurring losses from their business activities. The recoverable amount of the investments has been determined based on the revalued net assets of these subsidiaries as at the reporting date which is classified under Level 3 of the fair value hierarchy.

In the previous financial year, impairment loss on investments in subsidiaries amounting to $172,000 was reversed upon liquidation of certain subsidiaries.

14 Subsidiaries (Cont'd)

The Company has commitments to provide financial guarantees to banks for credit facilities granted to certain subsidiaries, as disclosed in Note 43.2.

All amounts owing by subsidiaries are denominated in Singapore dollar.

Details of the subsidiaries at the end of the reporting period are as follows:

	Name	Country of incorporation/ principal place of business	Cost of investments		Proportion of ownership interests and voting rights held by the Group		Principal activities
			2024	2023	**2024**	2023	
			$'000	$'000	**%**	%	
	Subsidiaries held by the Company						
(1)	Low Keng Huat International Pte. Ltd.	Singapore	**3,000**	3,000	**100**	100	Investment holding
(1)	Quality Investments Pte. Ltd.	Singapore	**500**	500	**100**	100	Investment holding
(1)	Prodev Pte. Ltd.	Singapore	**10**	10	**100**	100	Investment holding
(1)	Bali Investment Pte. Ltd.	Singapore	*****	*	**100**	100	Investment holding
(1)	Duxton Hotel (Pte.) Ltd.	Singapore	*****	*	**100**	100	Hotel management services
(1)	Domitian Investment Pte. Ltd.	Singapore	*****	*	**100**	100	Investment holding
(1)	Balestier Tower Pte. Ltd.	Singapore	**2,000**	2,000	**100**	100	Property investment
(1)	Starworth Pte. Ltd.	Singapore	*****	*	**100**	100	Investment holding
(1)	LKHS Property Investment Pte. Ltd.	Singapore	*****	*	**100**	100	Investment holding
(1)	Huatland Development Pte. Ltd.	Singapore	**1,000**	1,000	**100**	100	Investment holding
(1)	East Peak Development Pte. Ltd.	Singapore	*****	*	**100**	100	Investment holding
(1)	Kendall Pte. Ltd.	Singapore	**1**	1	**75**	75	Investment holding
(1)	Paya Lebar Square Pte. Ltd.	Singapore	**45,175**	45,175	**100**	100	Property investment
(1)	Perumal Development Pte. Ltd.	Singapore	**2,000**	2,000	**100**	100	Property development and property investment
(1)	Glocity Capital Pte. Ltd.	Singapore	*****	*	**100**	100	Investment holding
(1)	Glopeak Development Pte. Ltd.	Singapore	**2,000**	2,000	**100**	100	Property development
	Balance carried forward		**55,686**	**55,686**			

14 Subsidiaries (Cont'd)

Details of the subsidiaries at the end of the reporting period are as follows (Cont'd):

	Name	Country of incorporation/ principal place of business	Cost of investments		Proportion of ownership interests and voting rights held by the Group		Principal activities
			2024	2023	**2024**	2023	
			$'000	$'000	**%**	%	
	Balance brought forward		**55,686**	**55,686**			
	Subsidiaries held by the Company						
(1)	LKHS Development Pte. Ltd.	Singapore	*	*	**100**	100	Investment holding
	Subsidiary held by Bali Investment Pte. Ltd.						
(2)	Vista Mutiara Sdn. Bhd.	Malaysia	**+**	+	**100**	100	Investment holding
	Subsidiary held by Starworth Pte. Ltd.						
(1)	Carnivore Brazilian Churrascaria Pte. Ltd.	Singapore	**+**	+	**100**	100	Restaurant
	Subsidiary held by Duxton Hotel (Pte.) Ltd.						
(3)	Duxton Hotels International Pty. Ltd.	Australia	**+**	+	**100**	100	Owner of trademark
	Subsidiary held by Kendall Pte. Ltd.						
(4)	Amuret Pty. Ltd.	Australia	**+**	+	**75**	75	Investment holding
	Subsidiaries held by Low Keng Huat International Pte. Ltd.						
(4)	Narymal Pty. Ltd.	Australia	**+**	+	**75**	75	Hotel and restaurant operations
(5), (7)	Shanghai Nova Realty Development Co., Ltd.	People's Republic of China	**+**	+	**63**	63	Investment holding
	Subsidiary held by Quality Investments Pte. Ltd.						
(1)	Herman Investments Pte. Ltd.	Singapore	**+**	+	**100**	100	Investment holding
	Subsidiary held by Glocity Capital Pte. Ltd.						
(6)	HThree Capital Pte. Ltd.	Singapore	**+**	+	**51**	51	Property fund management
			55,686	55,686			

* Represents amount less than $500.

\+ Interest held through subsidiaries.

14 Subsidiaries (Cont'd)

Details of the subsidiaries at the end of the reporting period are as follows (Cont'd):

(1) Audited by Foo Kon Tan LLP.

(2) Audited by Crowe Malaysia PLT.

(3) Not required to be audited under the country of jurisdiction.

(4) Audited by Crowe Perth, Australia.

(5) Audited by BDO China, People's Republic of China.

(6) Audited by Ernst & Young LLP, Singapore, reporting period 31 December. The results of the company is based on unaudited results as at 31 December 2023 with adjustments made to 31 January 2024 for the Group consolidation purpose.

(7) Under liquidation.

In accordance with Rule 716 of the Singapore Exchange Securities Trading Limited - Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Group and of the Company.

<u>Details of non-wholly owned subsidiaries that have material non-controlling interests</u>

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests.

Name of subsidiary	Country of incorporation/ principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests	Profit/(loss) allocated to non-controlling interests	Accumulated non-controlling interests	Dividends paid to non-controlling interests
		%	$'000	$'000	$'000
2024					
Held by the Company					
Kendall Pte. Ltd.	Singapore	**25**	**16**	**9,873**	**–**
Held by a subsidiary					
Narymal Pty. Ltd.	Australia	**25**	**106**	**1,248**	**–**
Other individually non-significant subsidiaries with NCI			**(17)**	**(128)**	**(103)**
			105	**10,993**	**(103)**
2023					
Held by the Company					
Kendall Pte. Ltd.	Singapore	25	10	9,857	–
Held by a subsidiary					
Narymal Pty. Ltd.	Australia	25	464	1,247	–
Other individually non-significant subsidiaries with NCI			(44)	(162)	–
			430	10,942	–

14 Subsidiaries (Cont'd)

Details of non-wholly owned subsidiaries that have material non-controlling interests (Cont'd)

Dividends for non-controlling interests of $103,000 in FY2024 pertained to the net impact arising from:

i) a cancellation of FY2022 dividend of $850,000 declared by an overseas subsidiary; and

ii) lower dividends of $747,000 declared by the same subsidiary for FY2023, paid in FY2024.

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

Summarised statement of financial position

	Kendall Pte. Ltd. $'000	Narymal Pty. Ltd. $'000
2024		
Non-current assets	**26,303**	**904**
Current assets	**4,598**	**7,794**
Current liabilities	**(1,389)**	**(2,960)**
2023		
Non-current assets	26,303	1,229
Current assets	4,601	6,905
Current liabilities	(1,457)	(2,559)

Summarised statement of comprehensive income

	Kendall Pte. Ltd. $'000	Narymal Pty. Ltd. $'000
2024		
Revenue	**–**	**20,698**
Other income/(expenses)	**65**	**(20,272)**
Profit for the year, representing total comprehensive income for the year	**65**	**426**
Total comprehensive income attributable to non-controlling interests	**16**	**106**
2023		
Revenue	–	18,313
Other income/(expenses)	42	(16,455)
Profit for the year, representing total comprehensive income for the year	42	1,858
Total comprehensive income attributable to non-controlling interests	10	464

14 Subsidiaries (Cont'd)

Details of non-wholly owned subsidiaries that have material non-controlling interests (Cont'd)

Other summarised information

	Kendall Pte. Ltd. $'000	Narymal Pty. Ltd. $'000
2024		
Net cash (outflow)/inflow from operating activities	**(3)**	**1,273**
2023		
Net cash outflow from operating activities	(1)	(281)

15 Investment properties

The Group	Note	**2024 $'000**	2023 $'000
Cost			
Balance at beginning of year		**321,767**	318,885
Written off		**–**	(54)
Transfer from property plant and equipment	16	**1,581**	2,936
Balance at end of year		**323,348**	321,767
Accumulated depreciation			
Balance at beginning of year		**27,151**	23,267
Depreciation for the year	32	**3,671**	3,874
Written off		**–**	(3)
Transfer from property plant and equipment	16	**670**	13
Balance at end of year		**31,492**	27,151
Impairment			
Balance at beginning and end of year		**1,902**	1,902
Net book value		**289,954**	292,714
Fair value		**429,309**	423,070

(a) Investment properties are leased to third parties under operating leases [Note 37(b)(ii)].

15 Investment properties (Cont'd)

(b) The following amounts are recognised in the consolidated profit or loss:

The Group	Note	2024 $'000	2023 $'000
Income			
Rental income	26	**18,530**	17,978
Expenses			
Direct operating expenses arising from:			
- Investment properties that generated rental income		**7,553**	6,906
- Investment properties that did not generate rental income		**16**	7

(c) The investment properties as at the end of reporting period held by the Group comprise:

	Location	Description	Tenure	Net book value 2024 $'000	Net book value 2023 $'000	The Group's effective equity interest
(1), (5)	60 Paya Lebar Road, Paya Lebar Square Retail Podium, Singapore	159 retail units	99 years lease commencing 25 July 2011	**243,868**	246,688	100%
(2), (5)	207 Balestier Road, BT Centre, Singapore	A total of 31 commercial units, (out of which 28 (2023 - 28 units) are leased to external parties)	Freehold	**42,489**	43,274	100%
(3), (5)	2 Perumal Road, Lyf @ Farrer, Singapore	2 commercial retail units	99 years lease commencing 17 April 2017	**2,703**	2,752	100%
(4)	80 Marine Parade Road, 18-02/03 Parkway Parade, Singapore	2 office units	99 years lease commencing 17 August 1979	**894**	–	100%
				289,954	292,714	

Notes:

(1) During the financial year, a firm of independent professional valuers, Knight Frank Pte. Ltd. (2023 – Savills Valuation & Professional Services (S) Pte. Ltd.), valued the retail units to be $374,300,000 (2023 - $373,200,000) as at 31 January 2024 based on the property's highest-and-best use using the Direct Comparison Method and Income Capitalisation Method.

15 Investment properties (Cont'd)

(c) The investment properties as at the end of reporting period held by the Group comprise: (Cont'd)

(2) During the financial year, a firm of independent professional valuers, Knight Frank Pte. Ltd. (2023 – Savills Valuation & Professional Services (S) Pte. Ltd.), valued the mixed commercial cum serviced apartment development at 207 Balestier Road to be $224,500,000 (2023 - $216,200,000) as at 31 January 2024 based on the property's highest-and-best use using the Direct Comparison Method and Income Capitalisation Method. The amount consists of $180,000,000 and $44,500,000 (2023 - $171,700,000 and $44,500,000) allocated to property, plant and equipment and investment properties, respectively.

In the previous financial year, 3 commercial retail units at 207 Balestier Road under investment properties were converted to gym facilities to support the operations of the serviced apartment and management office for the retail units. Accordingly, these units were reclassified to property, plant and equipment from investment properties. 1 commercial retail unit, originally used as gym facilities and management office, was leased out to an external party, which resulted in a reclassification to investment properties from property, plant and equipment.

(3) During the financial year, a firm of independent professional valuers, Knight Frank Pte. Ltd. (2023 – Savills Valuation & Professional Services (S) Pte. Ltd.) valued the mixed commercial cum serviced apartment to be $239,900,000 (2023 - $238,300,000) based on the property's highest-and-best use using the Direct Comparison Method and Income Capitalisation Method. The amount consists of $234,530,000 and $5,370,000 (2023 - $232,930,000 and $5,370,000) allocated to property, plant and equipment and investment properties, respectively.

In the previous financial year, 2 commercial retail units located at 2 Perumal Road were leased to an external party. Arising from the change in use, these units were reclassified from property, plant and equipment to investment properties as disclosed in Note 16.

(4) The Directors of the Company estimated the fair value as at 31 January 2024 to be $5,139,000 (2023 - $Nil) for these 2 office units located at 80 Marine Parade Road based on the properties' highest-and-best use using the current market trend and with reference to indicative prices for similar office units in the area. During the current financial year, these 2 office units were leased out to external parties. Arising from this change in use, the units were reclassified from property, plant and equipment to investment properties as disclosed in Note 16.

(5) At the end of reporting period, these properties had been pledged to a financial institution to secure bank borrowings (Note 21).

The Direct Comparison Method involves the analysis of comparable sales of similar properties and adjusting prices to those reflective of the investment properties. The Income Capitalisation Method capitalises an income stream into a present value using single-year capitalisation rate.

Further information regarding the fair value measurement of the Group's investment properties is provided in Note 41.

16 Property, plant and equipment

The Group	Freehold properties $'000	Leasehold land $'000	Leasehold buildings $'000	Plant, machinery and surveying equipment $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Renovation $'000	Total $'000
Cost								
At 1 February 2022	167,057	88,120	38,947	48,159	3,116	16,264	1,394	363,057
Additions	–	–	–	1,402	–	796	11	2,209
Written off	(163)	–	(2,161)	(23)	–	(22)	–	(2,369)
Disposals	–	–	–	–	(255)	(10)	–	(265)
Transfer to investment properties (Note 15)	(135)	(2,222)	(501)	(28)	–	(50)	–	(2,936)
Reclassification	–	–	–	(85)	–	85	–	–
Exchange translation difference	(601)	–	(33)	(1,264)	(1)	(45)	(11)	(1,955)
At 31 January 2023	**166,158**	**85,898**	**36,252**	**48,161**	**2,860**	**17,018**	**1,394**	**357,741**
Additions	**–**	**–**	**1,290**	**3,878**	**272**	**194**	**488**	**6,122**
Written off	**–**	**–**	**–**	**–**	**–**	**(3)**	**(282)**	**(285)**
Disposals	**–**	**–**	**–**	**–**	**(274)**	**–**	**–**	**(274)**
Transfer to investment properties (Note 15)	**–**	**–**	**(1,581)**	**–**	**–**	**–**	**–**	**(1,581)**
Exchange translation difference	**(921)**	**–**	**(56)**	**(1,957)**	**(2)**	**(68)**	**(16)**	**(3,020)**
At 31 January 2024	**165,237**	**85,898**	**35,905**	**50,082**	**2,856**	**17,141**	**1,584**	**358,703**
Accumulated depreciation								
At 1 February 2022	5,557	–	3,356	34,195	1,161	6,233	553	51,055
Depreciation for the year (Note 32)	852	918	672	2,256	292	3,063	76	8,129
Written off	(9)	–	–	–	–	–	–	(9)
Disposals	–	–	–	–	(100)	(9)	–	(109)
Transfer from/(to) investment properties (Note 15)	3	(8)	(3)	(2)	–	(3)	–	(13)
Exchange translation difference	(91)	–	(8)	(1,017)	–	(29)	–	(1,145)
At 31 January 2023	**6,312**	**910**	**4,017**	**35,432**	**1,353**	**9,255**	**629**	**57,908**
Depreciation for the year (Note 32)	**829**	**911**	**815**	**2,268**	**281**	**2,611**	**100**	**7,815**
Written off	**–**	**–**	**–**	**–**	**–**	**(1)**	**(70)**	**(71)**
Disposals	**–**	**–**	**–**	**–**	**(265)**	**–**	**–**	**(265)**
Transfer to investment properties (Note 15)	**–**	**–**	**(670)**	**–**	**–**	**–**	**–**	**(670)**
Exchange translation difference	**(215)**	**–**	**(12)**	**(1,530)**	**(1)**	**(45)**	**–**	**(1,803)**
At 31 January 2024	**6,926**	**1,821**	**4,150**	**36,170**	**1,368**	**11,820**	**659**	**62,914**
Accumulated impairment loss								
At 1 February 2022	2,418	–	980	176	–	153	201	3,928
Additions (Note 31)	–	–	–	10	–	13	11	34
Impairment no longer required (Notes 31, 32)	(2,418)	–	–	–	–	–	–	(2,418)
At 31 January 2023	**–**	**–**	**980**	**186**	**–**	**166**	**212**	**1,544**
Impairment no longer required	**–**	**–**	**–**	**–**	**–**	**–**	**(212)**	**(212)**
At 31 January 2024	**–**	**–**	**980**	**186**	**–**	**166**	**–**	**1,332**
Net book value								
At 31 January 2024	**158,311**	**84,077**	**30,775**	**13,726**	**1,488**	**5,155**	**925**	**294,457**
At 31 January 2023	159,846	84,988	31,255	12,543	1,507	7,597	553	298,289

16 Property, plant and equipment (Cont'd)

The Company	Plant, machinery and surveying equipment $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Renovation $'000	Leasehold properties $'000	Total $'000
Cost						
At 1 February 2022	84	3,080	824	655	4,009	8,652
Additions	–	–	17	–	–	17
Disposals	–	(255)	–	–	–	(255)
At 31 January 2023	**84**	**2,825**	**841**	**655**	**4,009**	**8,414**
Additions	**–**	**272**	**9**	**–**	**–**	**281**
Disposals	**–**	**(274)**	**–**	**–**	**–**	**(274)**
At 31 January 2024	**84**	**2,823**	**850**	**655**	**4,009**	**8,421**
Accumulated depreciation						
At 1 February 2022	84	1,153	696	402	1,529	3,864
Depreciation for the year	–	288	41	65	44	438
Disposals	–	(100)	–	–	–	(100)
At 31 January 2023	**84**	**1,341**	**737**	**467**	**1,573**	**4,202**
Depreciation for the year	**–**	**277**	**41**	**67**	**44**	**429**
Disposals	**–**	**(265)**	**–**	**–**	**–**	**(265)**
At 31 January 2024	**84**	**1,353**	**778**	**534**	**1,617**	**4,366**
Net book value						
At 31 January 2024	**–**	**1,470**	**72**	**121**	**2,392**	**4,055**
At 31 January 2023	–	1,484	104	188	2,436	4,212

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 37(b).

In the previous financial year, the Group had written back an impairment loss of $2,418,000 (Note 31) for Citadines Balestier to its recoverable amount, as the property achieved improved profitability from its business activities and the recoverable amount is higher than carrying amount. The recoverable amount was computed based on the property's highest-and-best use fair value using the Direct Comparison Method and Income Capitalisation Method.

The Group	Note	**2024 $'000**	2023 $'000
Depreciation expense charged to:			
Cost of sales		**7,032**	7,586
Administrative expenses	28	**587**	543
Other operating expenses	29	**196**	–
		7,815	8,129

16 Property, plant and equipment (Cont'd)

(i) The freehold properties comprise:

	Location	Description	Tenure	The Group's effective equity interest	Net book value 2024 $'000	2023 $'000
(1)	No.1 St. Georges Terrace, Perth, Western Australia, Australia	306-room Duxton Hotel Perth	Freehold	75%	**16,620**	17,503
(2)	207 Balestier Road, Citadines Balestier, Singapore	27-storey serviced apartment 166 units and 3 commercial retail units	Freehold	100%	**141,691**	142,343
					158,311	159,846

Notes:

(1) The Directors of the Company estimated the fair value as at 31 January 2024 to be $81,080,000 (2023 - $85,640,000) for Duxton Hotel Perth based on the property's highest-and-best use using the current market trend and with reference to indicative prices for similar hotels in the area.

The fair value measurement was categorised as Level 3 fair value based on the inputs in the valuation technique used.

At the end of the reporting period, this property has been pledged to a financial institution to secure bank borrowings (Note 21).

(2) During the financial year, a firm of independent professional valuers, Knight Frank Pte. Ltd. (2023 – Savills Valuation & Professional Services (S) Pte. Ltd.), valued the mixed commercial cum serviced apartment development at 207 Balestier Road to be $224,500,00 (2023 - $216,200,000) as at 31 January 2024 based on the property's highest-and-best use using the Direct Comparison Method and Income Capitalisation Method. The amount consists of $180,000,000 and $44,500,000 (2023 - $171,700,000 and $44,500,000) allocated to property, plant and equipment and investment properties, respectively.

In the previous financial year, 3 commercial retail units at 207 Balestier Road under investment properties were converted to gym facilities to support the operations of the serviced apartment and management office for the retail units. Accordingly, these units were reclassified to property, plant and equipment from investment properties. 1 commercial retail unit, originally used as gym facilities and management office, was leased out to an external party, which resulted in a reclassification to investment properties from property, plant and equipment.

The fair value measurement was categorised as Level 3 fair value based on the inputs in the valuation technique used.

At the end of the reporting period, this property has been pledged to a financial institution to secure bank borrowings (Note 21).

Further information regarding the fair value measurement of the Group's property, plant and equipment is provided in Note 41.

16 Property, plant and equipment (Cont'd)

(ii) The leasehold land and buildings comprise:

	Location	Description	Tenure	The Group's effective equity interest	Net book value 2024 $'000	Net book value 2023 $'000
(1)	No. 1 St Georges Terrace, Perth, Western Australia, Australia	Hotel parking and entrance forecourt	21-year lease commencing 1 January 2018	75%	**887**	993
(2)	30 Robertson Quay, #01-10/11 Riverside View, Singapore (2023 – Block C, #01-32, 30 Victoria Street, CHIJMES, Singapore)	Restaurant premises	3-year lease commencing 27 October 2023	100%	**1,109**	Nil
(3)	80 Marine Parade Road, 18th Floor of Parkway Parade, Singapore	7 (2023 - 9) office units	99-year lease commencing 17 August 1979	100%	**3,243**	4,210
(4)	60 Paya Lebar Road, 4th Floor of Paya Lebar Square, Singapore	1 office unit	99-year lease commencing 25 July 2011	100%	**1,695**	1,715
(5)	2 Perumal Road, Lyf @ Farrer, Singapore	16-storey serviced apartment 240 units and 5 commercial units	99-year lease commencing 17 April 2017	100%	**107,918**	109,325
					114,852	116,243

Notes:

(1) Duxton Hotel Perth have a long-term lease contract in place with the State of Western Australia (Department of planning, land and heritage) in relation to the Forecourt (i.e. hotel parking and entrance).

(2) In the financial year ended 31 January 2024, the Group's subsidiary, Carnivore Brazilian Churrascaria Pte. Ltd. ("Carnivore") moved its restaurant premises to 30 Robertson Quay. As a result, the net book value of the restaurant's previously leased premises @ CHJIMES amounting to $2,000 (Note 31) was written off.

In the previous financial year, the Group recognised an impairment loss of $34,000 (2022- $48,000) as the recoverable amount was lower than the carrying amount and the subsidiary concerned was incurring continuing losses from its restaurant operations in current and previous years. The recoverable amount was based on fair value less costs of disposal. The impairment loss was recognised within "other losses, net" in profit or loss (Note 31).

16 Property, plant and equipment (Cont'd)

(ii) The leasehold land and buildings comprise (Cont'd):

Notes: (Cont'd)

(3) The Directors of the Company estimated the fair value for these 7 (2023 – 9) office units located at 80 Marine Parade Road as at 31 January 2024 to be $17,656,000 (2023 - $20,453,000), based on the properties' highest-and-best use using the current market trend and with reference to indicative prices for similar office units in the area. During the current financial year, 2 office units were leased out to external parties. Arising from this change in use, the units were reclassified from property, plant and equipment to investment properties as disclosed in Note 15.

The fair value measurement was categorised as Level 3 fair value based on the inputs in the valuation technique used.

(4) The Directors of the Company estimated the fair value for the office unit located at 60 Paya Lebar Road as at 31 January 2024 to be $2,767,000 (2023 - $2,853,000), based on the properties' highest-and-best use using the current market trend and with reference to indicative prices for similar office units in the area.

The fair value measurement was categorised as Level 3 fair value based on the inputs in the valuation technique used.

(5) During the financial year, a firm of independent professional valuers, Knight Frank Pte. Ltd. valued the mixed commercial cum serviced apartment to be $239,900,000 (2023 - $238,300,000) based on the property's highest-and-best use using the Direct Comparison Method and Income Capitalisation Method. The amount consists of $234,530,000 and $5,370,000 (2023 - $232,930,000 and $5,370,000) allocated to property, plant and equipment and investment properties, respectively.

In the previous financial year, 2 commercial retail units located at 2 Perumal Road were leased to an external party. Arising from the change in use, these units were reclassified from property, plant and equipment to investment properties as disclosed in Note 15.

The fair value measurement was categorised as Level 3 fair value based on the inputs in the valuation technique used.

At the end of the reporting period, this property has been pledged to a financial institution to secure bank borrowings (Note 21).

Further information regarding the fair value measurement of the Group's property, plant and equipment is provided in Note 41.

17 Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The carrying amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

The Group	**2024 $'000**	2023 $'000
Deferred tax assets		
To be recovered - After one year	**2,208**	882
Deferred tax liabilities		
To be settled - After one year	**3,441**	3,022

17 Deferred taxation (Cont'd)

The deferred tax assets balance comprises tax on the following temporary differences:

The Group	Note	Lease liabilities $'000	Excess of tax written down value over net book value of property, plant and equipment $'000	Unutilised tax losses $'000	Total $'000
At 1 February 2022		–	201	–	201
Credited to profit or loss	33	–	18	691	709
Exchange fluctuation difference		–	(7)	(21)	(28)
At 31 January 2023		**–**	**212**	**670**	**882**
Credited to profit or loss	33	**485**	**32**	**850**	**1,367**
Exchange fluctuation difference		**–**	**(11)**	**(30)**	**(41)**
At 31 January 2024		**485**	**233**	**1,490**	**2,208**

The deferred tax liabilities balance comprises tax on the following temporary differences:

The Group	Right-of-use assets $'000	Excess of net book value over tax written down value of property, plant and equipment $'000	Total $'000
At 1 February 2022	–	3,082	3,082
Credited to profit or loss	–	(60)	(60)
At 31 January 2023	**–**	**3,022**	**3,022**
Charged/(credited) to profit or loss	**455**	**(36)**	**419**
At 31 January 2024	**455**	**2,986**	**3,441**

Unrecognised deferred tax assets

Subject to the agreement by the tax authorities, the Group has unutilised tax losses of $27,948,000 (2023 - $8,712,000) available for offset against future profits at the reporting date. As of reporting date, deferred tax assets have been recognised in respect of $6,765,000 (2023 - $Nil) of these unutilised tax losses. No deferred tax asset has been recognised in respect of the remaining $21,183,000 (2023 - $8,712,000) as there is no reasonable certainty of its realisation in future periods. The unutilised tax losses have no expiry dates.

Recognised deferred tax assets

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group's deferred tax mainly relates to tax losses of $1,150,000 (2023 - $Nil) from a wholly-owned subsidiary, Glopeak Development Pte. Ltd. and $340,000 (2023 - $670,000) from a 75%-owned subsidiary, Narymal Pty. Ltd. respectively.

For the former, the subsidiary incurred tax losses when its development property was in the construction phase, and no taxable profits are recognised until the project is substantially completed, which is indicated by the issuance of Temporary Occupation Permit by the relevant authority.

For the latter, the subsidiary incurred losses in its hotel operations in the previous financial years and has generated taxable income since financial year ended 31 January 2023.

The Group is of the view that the deferred tax assets are recoverable based on the estimated future taxable income. The related tax losses have no expiry date.

18 Trade and other payables

		The Group		The Company	
		2024	2023	**2024**	2023
		$'000	$'000	**$'000**	$'000
Current					
Trade payables					
- Third parties		**21,401**	16,983	**19,114**	12,646
- Related party		**–**	5	**–**	5
	(i)	**21,401**	16,988	**19,114**	12,651
Other payables					
Accruals		**5,725**	5,402	**506**	497
Deposits received from third parties		**5,406**	5,086	**–**	–
Deposits received from subsidiary		**–**	–	**3**	–
Advanced payments received from customers		**2,668**	10,485	**–**	–
Interest payable		**532**	797	**2**	48
GST payable		**611**	341	**183**	–
Amount owing to subsidiaries		**–**	–	**4,200**	4,200
Provision for unutilised staffs' leave		**737**	664	**180**	204
Deferred income		**–**	47	**–**	–
Sundry payables		**2,008**	1,441	**46**	26
	(ii)	**17,687**	24,263	**5,120**	4,975
Grand total	(i) + (ii)	**39,088**	41,251	**24,234**	17,626

Related party refers to a company which is controlled by the Group's key management personnel and his close family members. Transactions with related party were made on normal commercial terms and conditions. Outstanding balances with related party are unsecured.

Non-trade amounts owing to subsidiaries, representing receipts on behalf are unsecured, interest-free and repayable on demand.

For the financial year ended 31 January 2023, deferred income of $47,000 pertained to renovation subsidy received from a landlord. During the current financial year, the subsidy had been utilised.

Trade and other payables are denominated in the following currencies:

	The Group		The Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Singapore dollar	**35,951**	38,674	**24,234**	17,626
Australian dollar	**3,135**	2,572	**–**	–
Malaysian Ringgit	**2**	2	**–**	–
Chinese Renminbi	**–**	3	**–**	–
	39,088	41,251	**24,234**	17,626

Further information on financial risk management is disclosed in Note 40.

19 Amounts owing to non-controlling shareholders of subsidiaries (non-trade)

The Group	2024 $'000	2023 $'000
Non-trade amounts owing to non-controlling shareholders of subsidiaries:		
- Advances	**361**	379
- Dividend payable	**–**	877
	361	1,256

Advances
The non-trade advances of $361,000 (2023 - $379,000) owing to non-controlling shareholders of subsidiaries, are unsecured, interest-free and repayable on demand.

The non-trade amounts owing to non-controlling shareholders of subsidiaries are denominated in the following currencies:

The Group	2024 $'000	2023 $'000
Australian dollar	**361**	379
Chinese Renminbi	**–**	877
	361	1,256

Further information on financial risk management is disclosed in Note 40.

20 Provision

The Group	2024 $'000	2023 $'000
Reinstatement of premises - non-current	**26**	29

Provision for reinstatement of premises is the estimated costs of dismantlement, removal or restoration of plant and equipment arising from the acquisition and use of restaurant assets, which are capitalised and included in the cost of plant and equipment. The provision is based on estimates made from historical data associated with reinstatement works on contracts of similar nature. The Group does not expect to incur the liability within the next 12 months.

Movement in provision for reinstatement of premises is as follows:

The Group	2024 $'000	2023 $'000
Balance at beginning of year	**29**	28
Provision during the year	**26**	1
Provision utilised during the year	**(29)**	–
Balance at end of year	**26**	29

21 Borrowings

The Group	2024 $'000	2023 $'000
Bank borrowings		
Revolving credit loan – unsecured	–	17,000
Temporary bridging loan - unsecured	2,341	3,583
Revolving credit loan - secured	597	30,200
Term loans - secured	542,360	572,186
	545,298	622,969
Lease liabilities [Note 37(a)]	2,148	1,350
	547,446	624,319
Amount repayable:		
Not later than one year	5,493	373,595
Later than one year and not later than five years	541,953	250,724
	547,446	624,319

The Company	2024 $'000	2023 $'000
Bank borrowings		
Revolving credit loan – unsecured	–	17,000
Temporary bridging loan - unsecured	2,341	3,583
	2,341	20,583
Lease liabilities [Note 37(a)]	13	18
	2,354	20,601
Amount repayable:		
Not later than one year	1,271	18,247
Later than one year and not later than five years	1,083	2,354
	2,354	20,601

Bank borrowings are denominated in the following currencies:

	The Group		The Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Singapore dollar	544,701	622,969	2,341	20,583
Australian dollar	597	–	–	–
	545,298	622,969	2,341	20,583

Revolving credit loan (unsecured) totalling $Nil (2023 - $17,000,000) at both the Group and the Company level carries an effective interest rate ranging from 3.63% to 4.78% (2023 - 1.12% to 2.59%) per annum. During the year, the loan was repaid and remained unutilised as at 31 January 2024.

21 Borrowings (Cont'd)

Temporary bridging loan of $2,341,000 (2023 - $3,583,000) at both the Group and the Company level is unsecured and carries an effective interest rate of 2.00% (2023 - 2.00%) per annum. There is a fixed term monthly repayment of $108,000, up to the maturity date, 20 November 2025.

Revolving credit loan (secured) of the Group of $597,000 (2023 - $Nil) is secured by mortgages over the property, plant and equipment [Note 16(i)(1)] located at No.1 St Georges Terrace, Perth and General Security Agreement over Amuret Pty. Ltd. The effective interest rate per annum for the revolving credit loan is 5.24% (2023 - Nil).

Revolving credit loan (secured) of the Group of $Nil (2023 - $30,200,000) is secured by mortgages over the investment property [Note 15(c)(2)] and property, plant and equipment [Note 16(i)(2)] located at 207 Balestier Road, Singapore and charges on all new assignments of tenancy, sales agreements or contracts with the operator of the serviced apartment. The effective interest rate per annum for the revolving credit loan is 4.60% (2023 - 2.98%).

Term loans of the Group totalling $542,360,000 (2023 - $572,186,000) are secured by mortgages over the development properties (Note 10), certain investment properties [Notes 15(c)(5)] and property, plant and equipment [Note 16(i)(2), Note 16(ii)(4) and Note 16(ii)(5)] of certain subsidiaries, as well as and charges on all new assignments of tenancy, sales agreements and construction contracts and fixed deposits of $8,389,000 (2023 - $3,600,000) of subsidiaries (Note 4). The effective interest rate per annum for the term loans ranges from 4.56% to 4.83% (2023 - 2.87% to 3.31%).

All the Group's and the Company's loan interest rates (except temporary bridging loan, which is fixed at 2.00%) are repriced monthly. The carrying amounts of the Group's and the Company's borrowings approximate their fair values.

The maturity dates of bank borrowings are as follows:

	The Group		The Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Repayable in/by				
FY2024	**–**	373,268	**–**	18,241
FY2025	**5,066**	4,066	**1,266**	1,266
FY2026	**219,875**	3,875	**1,075**	1,076
FY2027	**144,057**	143,460	**–**	–
FY2028	**98,300**	98,300	**–**	–
FY2029	**78,000**	–	**–**	–
	545,298	622,969	**2,341**	20,583

The Group has financial covenants attached to the term loans granted to certain subsidiaries. At the end of the reporting period, there was no breach of loan covenants under the terms of the borrowings taken up by the Group and its subsidiaries. The Group manages its liquidity risk by maintaining sufficient cash to enable them to meet its normal operating commitments and having an adequate amount of credit facilities available.

Further information about the financial risk management is disclosed in Note 40.

22 Share capital

	Number of ordinary shares		Amount	
	2024	2023	**2024**	2023
The Group and the Company			**$'000**	$'000
Issued and fully paid with no par value:				
Balance at beginning and end of year	**738,816,000**	738,816,000	**161,863**	161,863

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All issued shares rank equally with regard to the Company's residual assets.

23(a) Capital reserve

	2024	2023
The Group	**$'000**	$'000
Balance at beginning and end of year	**(30,214)**	(30,214)

Capital reserve represents excess of consideration paid in the acquisition of the non-controlling interests in subsidiaries.

23(b) Retained profits

	The Group		The Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Balance at beginning of year	**493,285**	540,127	**525,476**	509,313
(Loss)/profit for the year	**(1,135)**	(32,326)	**(46,705)**	30,393
Transfer upon disposal of financial assets at FVOCI (Notes 11 and 24)	**–**	260	**–**	546
Dividends paid (Note 36)	**(7,388)**	(14,776)	**(7,388)**	(14,776)
	(8,523)	(46,842)	**(54,093)**	16,163
Balance at end of year	**484,762**	493,285	**471,383**	525,476

24 Fair value reserve

	2024	2023
The Group	**$'000**	$'000
Balance at beginning of year	**1,514**	1,860
Fair value loss recycled to retained earnings on de-recognition [Notes 11 and 23(b)]	**–**	(260)
Net fair value loss on financial assets at FVOCI (Note 11)	**(538)**	(86)
	(538)	(346)
Balance at end of year	**976**	1,514

Fair value reserve arises from fair value changes on revaluation of financial assets at FVOCI held as at the end of reporting period.

25 Currency translation reserve

The Group	2024 $'000	2023 $'000
Balance at beginning of year	**(4,034)**	(2,563)
Exchange fluctuation difference	**(3,632)**	(1,471)
Balance at end of year	**(7,666)**	(4,034)

The currency translation reserve is a non-distributable reserve and relates to the exchange difference arising from translation of the financial statements of foreign subsidiaries, associated companies and joint ventures.

26 Revenue

Revenue of the Group includes revenue from construction contracts, sale of development properties, serviced apartments, hotel and restaurant operations and rental income from investment properties, and excludes inter-company transactions, and applicable goods and services taxes or value-added taxes.

The Group derives revenue from contracts with customers based on transfer of goods and services over time and at a point in time as follows:

The Group	2024 At a point in time $'000	2024 Over time $'000	2024 Total $'000	2023 At a point in time $'000	2023 Over time $'000	2023 Total $'000
Revenue from contracts with customers:						
Sales of development properties	**–**	**297,320**	**297,320**	–	28,687	28,687
Serviced apartments, hotel and restaurant operations	**10,052**	**36,528**	**46,580**	9,598	29,168	38,766
Construction of buildings	**–**	**5,250**	**5,250**	–	11,836	11,836
	10,052	**339,098**	**349,150**	9,598	69,691	79,289
Rental income [Note 15(b)]			**18,530**			17,978
Total revenue of the Group			**367,680**			97,267

The segment analysis of the Group is disclosed in Note 38 to the financial statements.

27(a) Finance income

The Group	2024 $'000	2023 $'000
Interest income		
- Banks	**25**	14
- Fixed deposits	**1,685**	143
- Joint ventures and associated companies	**–**	306
- Others	**–**	1
	1,710	464

27(b) Other operating income

The Group	Note	2024 $'000	2023 $'000
Dividend income from quoted equity investments:			
- Relating to investments held at the end of reporting period		**134**	112
Write back of impairment loss for receivables	6	**–**	358
Management fee		**1,779**	1,478
Government grant income		**66**	260
Forfeiture of deposit		**1,660**	–
Sundry income		**351**	554
		3,990	2,762

During the previous financial year, included in government grant income was Job Support Scheme ("JSS") grant of $57,000 from the Singapore Government to help employers to retain their local employees during the period of economic uncertainty due to COVID-19. JSS grant income is allocated over the period of economic uncertainty to match the related staff costs for which the grant is intended to compensate.

28 Administrative costs

The Group	Note	2024 $'000	2023 $'000
Audit fees		**270**	233
Non-audit fees		**47**	51
Bank charges		**69**	14
Cleaning fees		**90**	86
Credit card commission expenses		**415**	306
Employee benefit costs		**8,531**	7,520
Depreciation of property, plant and equipment	16	**587**	543
Directors' fee	32	**215**	215
Insurance		**439**	347
Maintenance fees		**137**	185
Professional fees		**610**	1,621
Property management fees		**1,525**	1,300
Property tax		**49**	38
Repair and maintenance		**159**	238
Subscription fees		**153**	141
Travelling and transportation expenses		**112**	106
Unclaimable GST		**65**	11
Utilities		**148**	185
Others		**705**	426
		14,326	13,566

29 Other operating expenses

The Group	Note	2024 $'000	2023 (restated) $'000
Depreciation of property, plant and equipment	16	**196**	–
Hotel maintenance and utilities		**1,922**	1,398
Impairment loss on receivables	6	**22**	–
Sundry expenses		**4**	62
		2,144	1,460

30 Finance costs

The Group	Note	2024 $'000	2023 $'000
Interest expense			
- Lease liabilities	37(a)	**59**	49
- Loans		**27,452**	18,069
		27,511	18,118

31 Other losses, net

The Group	Note	2024 $'000	2023 (restated) $'000
Gain/(loss) on disposal of property, plant and equipment		**27**	(156)
Gain on early repayment of shareholder loan		**–**	4,783
Long outstanding payables written off		**–**	253
Reversal of impairment loss on property, plant and equipment	16, 32	**–**	2,418
Foreign exchange losses	32	**(1,413)**	(2,466)
Impairment loss on investments in joint ventures and associated companies		**(360)**	–
Impairment loss on property, plant and equipment	16	**–**	(34)
Investment properties written off		**–**	(51)
Loss on disposal of associates	13	**–**	(23,303)
Property, plant and equipment written off	32	**(2)**	(199)
		(1,748)	(18,755)

32 Loss before taxation

The Group	Note	**2024 $'000**	2023 $'000
Loss before taxation has been arrived at after charging/ (crediting):			
Audit fee:			
- Auditors of the Company			
- Current year		**173**	168
- Under provision in respect of prior years		**33**	3
- Other auditors – non-network firms		**64**	62
Non-audit fees, non-audit-related services ("non-ARS")			
- Auditors of the Company		**14**	18
Non-audit fees, non-ARS			
- Other auditors – non-network firms		**33**	33
Depreciation of:			
- Investment properties	15	**3,671**	3,874
- Property, plant and equipment	16	**7,815**	8,129
Cost of development properties recognised as expense	10(a), 10(b)	**261,744**	22,755
Cost of inventories recognised as expenses	9	**2,664**	2,466
Exchange loss	31	**1,413**	2,466
Amortisation of contract costs	8(b)	**14,554**	542
Fair value loss on financial assets at FVPL	5	**7,543**	1,156
Property, plant and equipment written off	31	**2**	199
Write back of impairment loss for property, plant and equipment	16, 31	**–**	(2,418)
Employee benefit costs:			
Directors' fee	28	**215**	215
Directors of the Company			
- Salaries and other related costs		**3,199**	2,921
- CPF contributions and other equivalent contributions		**54**	51
Key management personnel (other than directors)			
- Salaries, wages and other related costs		**1,686**	2,053
- CPF contributions and other equivalent contributions		**34**	34
		5,188	5,274
Other than key management personnel			
- Salaries, wages and other related costs		**15,449**	11,204
- CPF contributions and other equivalent contributions		**1,575**	1,259
		22,212	17,737
Employee benefit charged to profit or loss as follows:			
- Cost of sales		**13,681**	10,217
- Administrative expenses		**8,531**	7,520
		22,212	17,737

33 Taxation

The Group	Note	2024 $'000	2023 $'000
Current taxation			
- Singapore		**1,252**	1,948
- Foreign		**(12)**	3
		1,240	1,951
Under/(over) provision in prior financial years:			
- Current taxation		**693**	339
Utilisation of previously unrecognised tax losses, via group relief		**(1,623)**	–
		(930)	339
Deferred taxation	17	**(948)**	(649)
Tax (credit)/expense		**(638)**	1,641

Domestic income tax is calculated at 17% (2023 - 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at 24%, 25% and 30% (2023 - 24%, 25% and 30%) for jurisdictions located in Malaysia, PRC and Australia, respectively.

The tax on the Group's results before tax differs from the theoretical amount that would arise using the various applicable corporate tax rates of income tax as follows:

The Group	2024 $'000	2023 $'000
Loss before taxation	**(1,668)**	(30,255)
Share of results of joint ventures and associated companies, net of tax	**(2,764)**	2,200
	(4,432)	(28,055)
Tax at domestic rate applicable to profits in the countries concerned[(1)]	**(694)**	(3,510)
Tax effect on non-deductible expenses[(2)]	**51,000**	6,823
Tax effect on non-taxable income[(3)]	**(48,827)**	(2,248)
Tax effect on temporary differences not recognised	**(1,122)**	291
Tax effect on Singapore statutory stepped income exemption	**(53)**	(56)
Withholding taxes (recovered)/paid	**(12)**	2
Under provision of current taxation in respect of prior years	**693**	339
Utilisation of previously unrecognised tax losses, via group relief	**(1,623)**	–
	(638)	1,641

Notes:

(1) This is prepared by aggregating separate reconciliations for each national jurisdiction.

(2) This relates mainly to disallowed expenditures incurred in the ordinary course of business which includes cost of development properties sold at Klimt Cairnhill which would only be deductible upon obtaining Temporary Occupation Permit, depreciation on non-qualifying assets, impairment on property, plant and equipment and impairment of investment properties.

(3) This relates mainly to non-taxable income occurred in the ordinary course of business which includes revenue from sold development properties at Klimt Cairnhill which would only be taxable upon obtaining Temporary Occupation Permit, impairment losses no longer required for non-qualifying property, plant and equipment and one-tier tax exempt dividend income from quoted equity investments.

34 Loss per share

Basic and diluted earnings per share are calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

The following table reflects the consolidated income statement and share data used in the computation of basic and diluted earnings per share from continuing operations for the financial years ended 31 January:

The Group	**2024** **$'000**	2023 $'000
Net loss attributable to equity holders of the Group	**(1,135)**	(32,326)
Weighted average number of ordinary shares for purpose of calculating basic and diluted earnings per share (Note 22)	**738,816,000**	738,816,000
Basic and diluted loss per share (cents)	**(0.15)**	(4.38)

As there are no dilutive potential ordinary shares that were outstanding during the year, the basic loss per share is the same as the diluted loss per share.

35 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following are significant transactions that took place between the Group and related parties at mutually agreed amounts:

The Group	**2024** **$'000**	2023 $'000
Security services charged by other related party	**221**	213
Shareholders' loans to a joint venture	**196**	125
Construction work performed for an associated company	**5,250**	11,836
Shareholders' loans to associated companies	**1,979**	936
Service and secondment fee charged to joint ventures	**1,779**	1,478

Other related party refers to a company which is controlled by the Group's key management personnel and his close family members.

36 Dividends

The Group and the Company	2024 $'000	2023 $'000
Dividends paid		
- Ordinary dividends:		
First and final dividend of 1.0 cent (2023 - 2.0 cents) per share, tax exempt paid in respect of the previous financial year [Note 23(b)]	**7,388**	14,776
Dividends proposed		
- Ordinary dividends:		
First and final dividend of 1.5 cents (2023 - 1.0 cent) per share, tax exempt	**11,082**	7,388

At the forthcoming Annual General Meeting, a first and final tax-exempt (one-tier) ordinary dividend of 1.5 cents (2023 - 1.0 cent) per share amounting to $11,082,000 (2023 - $7,388,000) will be proposed. These financial statements do not reflect these dividends payable, which will be accounted for as a reduction in equity as a distribution of retained profits in the financial year ending 31 January 2025.

37 Leases

37(a) Lease liabilities

	The Group		The Company	
	2024 $'000	2023 $'000	**2024 $'000**	2023 $'000
Undiscounted lease payments due:				
- Financial Year 1	**506**	362	**5**	7
- Financial Year 2	**557**	94	**5**	5
- Financial Year 3	**458**	90	**4**	5
- Financial Year 4	**81**	88	**–**	3
- Financial Year 5	**79**	85	**–**	–
- Financial Year 6 and onwards	**787**	909	**–**	–
	2,468	1,628	**14**	20
Less: Future interest cost	**(320)**	(278)	**(1)**	(2)
Lease liabilities	**2,148**	1,350	**13**	18
Presented under borrowings (Note 21) as:				
- Current	**427**	327	**5**	6
- Non-current	**1,721**	1,023	**8**	12
	2,148	1,350	**13**	18

37 Leases (Cont'd)

37(a) Lease liabilities (Cont'd)

Lease liabilities are denominated in the following currencies:

	The Group		The Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Singapore dollar	**1,195**	298	**13**	18
Australian dollar	**953**	1,052	**–**	–
	2,148	1,350	**13**	18

Interest expense on lease liabilities of $59,000 (2023 - $49,000) (Note 30) is recognised within finance costs in profit or loss.

Rental expenses not capitalised in lease liabilities but recognised within administrative costs in profit or loss are set out below:

The Group	**2024** **$'000**	2023 $'000
Leases of low-value assets	**4**	3

Total cash outflows for all leases in the year amount to $509,000 (2023 - $437,000).

As at 31 January 2024, the Group's short-term lease commitments at the reporting date are not substantially dissimilar to those giving rise to the Group's short-term lease expense for the year.

Information about the Group's leasing activities is disclosed in Note 37(b).

Further information about the financial risk management is disclosed in Note 40.

The Group's lease liabilities are secured by the lessors' title to the leased assets.

Variable lease payments

The leases for restaurant premise contain variable lease payments that are based on 2% of gross sales generated by the restaurant, on top of fixed payments. Such variable lease payments are recognised in profit or loss when incurred, and an amount of $42,000 (2023 - $72,000) has been recognised in profit or loss for the financial year ended 31 January 2024.

37 Leases (Cont'd)

37(b) Lease arrangements

(i) The Group as lessee

Leasehold land and buildings

The Group has made upfront payments to secure the right-of-use of various leasehold land and buildings. The leasehold land and buildings are recognised within the Group's property, plant and equipment (Note 16) when they are used in the production or supply of goods or services. Otherwise, these are classified within investment properties (Note 15) when they are held for long-term rental yields and/or for capital appreciation.

The Group also makes monthly lease payments for the use of several leasehold properties for operation purposes [Note 37(a)]. These leasehold properties are recognised within the Group's property, plant and equipment (Note 16). There are no externally imposed covenants on these property lease arrangements.

Office equipment

The Group makes monthly lease payments to lease office equipment used for administrative operation activities. This equipment is recognised as the Group's property, plant and equipment (Note 16).

Set below are the carrying amounts of right-of-use assets classified within property, plant and equipment and the movement during the period:

The Group	Office equipment $'000	Leasehold land $'000	Leasehold buildings $'000	Total $'000
At 31 January 2023	**36**	**84,988**	**6,918**	**91,942**
Additions	**–**	**–**	**1,290**	**1,290**
Transfer to investment properties	**–**	**–**	**(910)**	**(910)**
Exchange translation difference	**–**	**–**	**(44)**	**(44)**
Depreciation expense	**(13)**	**(911)**	**(320)**	**(1,244)**
At 31 January 2024	**23**	**84,077**	**6,934**	**91,034**
At 31 January 2022	40	88,120	7,115	95,275
Additions	9	–	–	9
Transfer to investment properties	–	(2,214)	–	(2,214)
Written off	(1)	–	–	(1)
Exchange translation difference	–	–	(25)	(25)
Depreciation expense	(12)	(918)	(172)	(1,102)
At 31 January 2023	36	84,988	6,918	91,942

37 Leases (Cont'd)

37(b) Lease arrangements (Cont'd)

(ii) The Group as lessor

Investment properties

Operating leases, in which the Group is the lessor, relate to investment properties (Note 15) owned by the Group. The lease terms range between 1 to 6 years with the option to extend for another 3 years, for certain tenants. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

These leases are classified as operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred. The Group is exposed to changes in residual value at the end of the lease term, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these lease. Expectations about the future residual values are reflected in the fair value of the investment properties.

The Group's revenue from rental income received on the investment properties are disclosed in Note 15(b).

Variable lease payments received during the year that do not depend on an index or rate from rental of investment properties is $512,000 (2023 - $447,000).

The future minimum rental receivable under non-cancellable operating leases contracted for at the reporting date are as follows:

The Group	**2024** **$'000**	2023 $'000
Undiscounted lease payments to be received:		
- Financial Year 1	**18,114**	17,443
- Financial Year 2	**12,475**	11,893
- Financial Year 3	**9,248**	7,354
- Financial Year 4	**6,785**	4,482
- Financial Year 5	**3,754**	3,586
- Financial Year 6 and onwards	**580**	2,634
	50,956	47,392

38 Operating segments

For management purposes, the Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group's reportable operating segments are as follows:

(i) Property development

Activities in this segment comprise the development of properties.

(ii) Hotel

Activities in this segment comprise ownership and operation of serviced apartments, a hotel and a restaurant.

(iii) Investments

Activities in this segment relate mainly to investments in properties, investment in quoted and unquoted equities, construction activities as well as firm-wide expenses not allocated to core segments.

There are no other operating segments that have been aggregated to form the above reportable operating segments.

The Executive Chairman and the Managing Director monitor the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as set out below, is measured differently from operating profit or loss in the consolidated financial statements.

Group taxation is managed on a group basis and is not allocated to operating segments.

Sales between operating segments are carried out at arm's length basis similar to transactions with third parties.

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38 Operating segments (Cont'd)

(a) Business Segments

	Property development		Hotel		Investments		Consolidated	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
The Group								
REVENUE								
Total sales	**297,320**	28,687	**48,795**	40,195	**54,358**	47,939	**400,473**	116,821
Inter-segment sales	**–**	–	**(2,215)**	(1,429)	**(30,578)**	(18,125)	**(32,793)**	(19,554)
External sales	**297,320**	28,687	**46,580**	38,766	**23,780**	29,814	**367,680**	97,267
RESULTS								
Segment results	**20,587**	3,497	**5,869**	2,673	**4,204**	3,340	**30,660**	9,510
Finance income	**173**	30	**–**	4	**1,537**	430	**1,710**	464
Finance costs	**(12,360)**	(9,247)	**(6,694)**	(3,136)	**(8,457)**	(5,735)	**(27,511)**	(18,118)
Share of results of joint ventures and associated companies	**2,764**	(1,968)	**–**	–	**–**	(232)	**2,764**	(2,200)
Profit/(loss) before fair value changes, other gains/(losses) and taxation	**11,164**	(7,688)	**(825)**	(459)	**(2,716)**	(2,197)	**7,623**	(10,344)
Fair value loss on financial assets at FVPL	**–**	–	**–**	–	**(7,543)**	(1,156)	**(7,543)**	(1,156)
Other gains/(losses), net	**–**	–	**–**	2,519	**(1,748)**	(21,274)	**(1,748)**	(18,755)
Profit/(loss) before taxation	**11,164**	(7,688)	**(825)**	2,060	**(12,007)**	(24,627)	**(1,668)**	(30,255)
Taxation							**638**	(1,641)
Profit attributable to non-controlling interests							**(105)**	(430)
Net loss attributable to owners of the parent							**(1,135)**	(32,326)

38 Operating segments (Cont'd)

(a) Business Segments (Cont'd)

	Property development		Hotel		Investments		Consolidated	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
The Group								
OTHER INFORMATION								
Segment assets	**526,450**	601,076	**298,630**	302,743	**349,028**	366,623	**1,174,108**	1,270,442
Investments in joint ventures and associated companies under equity method	**14,650**	10,893	**–**	–	**25,027**	26,445	**39,677**	37,338
Consolidated total assets (excluding taxation)	**541,100**	611,969	**298,630**	302,743	**374,055**	393,068	**1,213,785**	1,307,780
Consolidated total liabilities (excluding taxation)	**(221,195)**	(337,100)	**(157,387)**	(112,983)	**(207,943)**	(216,646)	**(586,525)**	(666,729)
Capital expenditure								
- Property, plant and equipment	**–**	–	**5,828**	2,183	**294**	26	**6,122**	2,209
Depreciation								
- Property, plant and equipment	**–**	–	**7,319**	7,600	**496**	529	**7,815**	8,129
- Investment properties	**–**	–	**–**	–	**3,671**	3,874	**3,671**	3,874
Impairment loss/(write-back), net on								
- Property, plant and equipment	**–**	–	**–**	(2,384)	**–**	–	**–**	(2,384)
- Receivables	**–**	–	**–**	–	**22**	(358)	**22**	(358)
Write-off								
- Property, plant and equipment	**–**	–	**2**	198	**–**	1	**2**	199
- Investment properties	**–**	–	**–**	–	**–**	51	**–**	51
(Gain)/loss on disposal of								
- Property, plant and equipment	**–**	–	**–**	–	**(27)**	156	**(27)**	156
Fair value loss on financial assets at FVPL	**–**	–	**–**	–	**7,543**	1,156	**7,543**	1,156
Amortisation of contract costs	**14,554**	542	**–**	–	**–**	–	**14,554**	542
Loss on disposal of investment in associates	**–**	–	**–**	–	**–**	23,303	**–**	23,303
Gain on early repayment of shareholder loan	**–**	–	**–**	–	**–**	(4,783)	**–**	(4,783)
Unrealised foreign exchange losses from financial assets at FVPL	**–**	–	**–**	–	**1,557**	1,857	**1,557**	1,857

38 Operating segments (Cont'd)

(b) Geographical Segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of external customers. Non-current assets other than the deferred tax assets and derivative financial instruments are based on the geographical location of the assets.

The Group	Revenue 2024 $'000	Revenue 2023 $'000	Non-current assets 2024 $'000	Non-current assets 2023 $'000
Singapore	**346,982**	78,954	**528,866**	531,051
Australia	**20,698**	18,313	**29,915**	28,725
Malaysia	**–**	–	**65,307**	68,565
	367,680	97,267	**624,088**	628,341

Non-current assets information presented above consists of investments in joint ventures and associated companies, investment properties and property, plant and equipment.

(c) Information about major customers

The Group does not have any major customers.

(d) Reconciliation of segments total assets and total liabilities

The Group	2024 $'000	2023 $'000
Reportable segments' assets are reconciled to total assets as follows:		
Segment assets	**1,174,108**	1,270,442
Investments in joint ventures and associated companies under equity method	**39,677**	37,338
Deferred tax assets	**2,208**	882
GST receivable	**–**	60
Total assets	**1,215,993**	1,308,722
Reportable segments' liabilities are reconciled to total liabilities as follows:		
Segment liabilities	**586,525**	666,729
Deferred tax liabilities	**3,441**	3,022
GST payable	**611**	341
Current tax payable	**4,702**	5,274
Total liabilities	**595,279**	675,366

39 Disclosure of directors' remuneration

As required by the Listing Manual of the Singapore Exchange, the remuneration of Directors of the Company is disclosed in bands as follows:

	Number of directors	
	2024	2023
$1,000,001 to $1,250,000	**1**	–
$750,001 to $1,000,000	**2**	2
$500,001 to $750,000	**–**	1
$250,001 to $500,000	**1**	1
Below $250,001	**4**	4
Total	**8**	8

40 Financial risk management objectives and policies

The Group's and the Company's financial risk management policies set out their overall business strategies and risk management philosophies. The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include currency risk, interest rate risk, liquidity risk, market price risk and credit risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from such unpredictability on their financial performances.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

The Group and the Company do not hold or issue derivative financial instruments for speculative purposes.

As at 31 January 2024 and 2023, the Group's and the Company's financial instruments mainly consisted of cash and cash equivalents, financial assets at FVOCI, financial assets at FVPL, receivables, payables, lease liabilities and bank borrowings.

There has been no change to the Group's and the Company's exposures to these financial risks or the manner in which they manage and measure the risk. Market risk exposures are measured using sensitivity analysis indicated below.

40.1 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

Part of the Group's revenue, expenses, investments, assets and liabilities are denominated in foreign currencies which give rise to foreign exchange risk, particularly of its overseas subsidiaries, associates, joint ventures and investments in financial assets at FVPL. The currencies giving rise to this risk are primarily Australian dollar (AUD), Malaysian Ringgit (RM) and United States dollar (USD).

In terms of operations, sales and purchases are denominated in the same currency as much as is practicable. The Group also matches the currency of its bank borrowings, if any, with the location of its investment to mitigate the risk of currency exposure. As such, the Group does not deem it necessary to enter into any derivative contracts to hedge against foreign currency risk.

40 Financial risk management objectives and policies (Cont'd)

40.1 Currency risk (Cont'd)

Exposure to foreign currency risk is insignificant as the Group's income and related expenses, assets and liabilities are substantially denominated in the respective functional currencies of the Group's entities. The exposure is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. As at the end of each reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	USD $'000	AUD $'000	RM $'000	Total $'000
The Group				
At 31 January 2024				
Cash and cash equivalents	**229**	**214**	**210**	**653**
Financial assets at FVPL	**–**	**28,068**	**–**	**28,068**
Amount owing to non-controlling shareholders of subsidiaries	**–**	**(361)**	**–**	**(361)**
	229	**27,921**	**210**	**28,360**
At 31 January 2023				
Cash and cash equivalents	217	119	560	896
Financial assets at FVPL	–	36,320	–	36,320
Amount owing to non-controlling shareholders of subsidiaries	–	(379)	–	(379)
	217	36,060	560	36,837
The Company				
At 31 January 2024				
Cash and cash equivalents	**229**	**214**	**50**	**493**
Amount owing by subsidiaries	**–**	**68**	**–**	**68**
	229	**282**	**50**	**561**
At 31 January 2023				
Cash and cash equivalents	217	119	560	896
Amount owing by subsidiaries	–	94	–	94
	217	213	560	990

40 Financial risk management objectives and policies (Cont'd)

40.1 Currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in foreign currencies against the functional currency of each group entity, with all other variables held constant, of the Group's results net of tax and equity.

	Increase/(Decrease)			
	2024		2023	
	Profit or loss $'000	**Equity $'000**	Profit or loss $'000	Equity $'000
The Group				
Australian dollar				
- strengthened 5% (2023 - 5%)	**1,396**	**1,396**	1,803	1,803
- weakened 5% (2023 - 5%)	**(1,396)**	**(1,396)**	(1,803)	(1,803)
Malaysian Ringgit				
- strengthened 5% (2023 - 5%)	**10**	**10**	28	28
- weakened 5% (2023 - 5%)	**(10)**	**(10)**	(28)	(28)
United States dollar				
- strengthened 5% (2023 - 5%)	**11**	**11**	11	11
- weakened 5% (2023 - 5%)	**(11)**	**(11)**	(11)	(11)
The Company				
Australian dollar				
- strengthened 5% (2023 - 5%)	**14**	**14**	11	11
- weakened 5% (2023 - 5%)	**(14)**	**(14)**	(11)	(11)
Malaysian Ringgit				
- strengthened 5% (2023 - 5%)	**3**	**3**	28	28
- weakened 5% (2023 - 5%)	**(3)**	**(3)**	(28)	(28)
United States dollar				
- strengthened 5% (2023 - 5%)	**11**	**11**	11	11
- weakened 5% (2023 - 5%)	**(11)**	**(11)**	(11)	(11)

40 Financial risk management objectives and policies (Cont'd)

40.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from bank borrowings and fixed deposits placed with financial institutions.

As at 31 January 2024, the Group has transitioned all its bank borrowings linked to the Swap Offer Rate ("SOR") to the Singapore Overnight Rate Average ("SORA"). The Group does not have any non-derivative financial assets and derivatives that are referenced to interest rate benchmark subject to interest rate benchmark reform.

The interest rates of fixed deposits placed with financial institutions and bank borrowings are disclosed in Notes 3, 4, and 21 to the financial statements, respectively.

The following table sets out the carrying amount, by maturity, of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Within 1 year $'000	1 - 2 years $'000	2 - 3 years $'000	3 - 4 years $'000	4 - 5 years $'000	Total $'000
The Group						
At 31 January 2024						
Floating rate						
Financial assets	**48,714**	**–**	**–**	**–**	**–**	**48,714**
Financial liabilities	**(5,066)**	**(219,875)**	**(144,057)**	**(98,300)**	**(78,000)**	**(545,298)**
	43,648	**(219,875)**	**(144,057)**	**(98,300)**	**(78,000)**	**(496,584)**
At 31 January 2023						
Floating rate						
Financial assets	7,750	–	–	–	–	7,750
Financial liabilities	(373,268)	(4,066)	(3,875)	(143,460)	(98,300)	(622,969)
	(365,518)	(4,066)	(3,875)	(143,460)	(98,300)	(615,219)
The Company						
At 31 January 2024						
Floating rate						
Financial assets	**35,272**	**–**	**–**	**–**	**–**	**35,272**
Financial liabilities	**(1,266)**	**(1,075)**	**–**	**–**	**–**	**(2,341)**
	34,006	**(1,075)**	**–**	**–**	**–**	**32,931**
At 31 January 2023						
Floating rate						
Financial assets	257	–	–	–	–	257
Financial liabilities	(18,241)	(1,266)	(1,076)	–	–	(20,583)
	(17,984)	(1,266)	(1,076)	–	–	(20,326)

40 Financial risk management objectives and policies (Cont'd)

40.2 Interest rate risk (Cont'd)

The Group's financial assets subject to floating rate above include unencumbered fixed deposits of $36,272,000 (2023 - $257,000) (Note 3) with maturity of less than three months and pledged fixed deposits aggregating $12,441,000 (2023 - $7,493,000) (Note 4). Pledged fixed deposits include $6,889,000 (2023 - $3,600,000) with maturity of less than three months from date of placement and $5,552,000 (2023 - $3,893,000) with maturity of more than three months from date of placement. Maturity periods stated are calculated based on date of placement to date of maturity.

The Group's financial liabilities subject to floating above comprises bank borrowings as disclosed in Note 21.

The other financial instruments of the Group and the Company that are not included in the above table are not subject to interest rate risks.

Sensitivity analysis for interest rate risk

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of reporting period and on the assumption that the change took place at the beginning of the financial year and is held constant throughout the reporting period. The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions.

	Increase/(Decrease)			
	2024		2023	
	Profit or loss	**Equity**	Profit or loss	Equity
	$'000	**$'000**	$'000	$'000
The Group				
Interest rate				
- decreased by 1% per annum	**4,966**	**4,966**	6,152	6,152
- increased by 1% per annum	**(4,966)**	**(4,966)**	(6,152)	(6,152)
The Company				
Interest rate				
- decreased by 1% per annum	**329**	**329**	203	203
- increased by 1% per annum	**(329)**	**(329)**	(203)	(203)

40 Financial risk management objectives and policies (Cont'd)

40.3 Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Company's exposure to liquidity arises primarily from mismatches between the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company ensure that there are adequate funds to meet all its obligations in a timely and cost-effective manner. The Group and the Company aim at maintaining flexibility in funding by keeping credit facilities available as disclosed in Note 21 to the financial statements.

The table below summarises the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period from the end of reporting period to the contractual maturity date. The amounts disclosed in the table are based on the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000	Total $'000
The Group				
At 31 January 2024				
Trade and other payables	**37,659**	**–**	**–**	**37,659**
Amounts owing to non-controlling shareholders of subsidiaries (non-trade)	**361**	**–**	**–**	**361**
Provision for directors' fee	**215**	**–**	**–**	**215**
Borrowings	**30,636**	**580,841**	**787**	**612,264**
	68,871	**580,841**	**787**	**650,499**
At 31 January 2023				
Trade and other payables	39,825	–	–	39,825
Amounts owing to non-controlling shareholders of subsidiaries (non-trade)	1,256	–	–	1,256
Provision for directors' fee	215	–	–	215
Borrowings	394,940	282,213	825	677,978
	436,236	282,213	825	719,274

40 Financial risk management objectives and policies (Cont'd)

40.3 Liquidity risk (Cont'd)

	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000	Total $'000
The Company				
At 31 January 2024				
Trade and other payables	**24,051**	**–**	**–**	**24,051**
Amounts owing to subsidiaries (non-trade)	**11,140**	**–**	**–**	**11,140**
Provision for directors' fee	**215**	**–**	**–**	**215**
Borrowings	**1,297**	**1,100**	**–**	**2,397**
	36,703	**1,100**	**–**	**37,803**
Financial guarantees for subsidiaries	**2,800**	**585,760**	**–**	**588,560**
At 31 January 2023				
Trade and other payables	17,626	–	–	17,626
Amounts owing to subsidiaries (non-trade)	10,012	–	–	10,012
Provision for directors' fee	215	–	–	215
Borrowings	18,349	2,426	–	20,775
	46,202	2,426	–	48,628
Financial guarantees for subsidiaries	401,226	247,360	–	648,586

40.4 Market price risk

Market price risk arises mainly from uncertainty about future prices of instruments used in the Group's operations. It represents the potential loss the Group might suffer through holding investments in the face of price movements. It is the Group's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular sector or industry.

The Group is exposed to marketable securities price risk arising from its investments in equity investments classified as financial assets held at fair value through other comprehensive income. These securities are listed on the Singapore Exchange.

The Group is also exposed to market price risk arising from its investment in the limited partnership classified as financial assets held at fair value through profit or loss. The partnership will invest in the Master Fund whose valuation is mainly based on the valuation of the underlying commercial real estate assets less borrowings. All investments present a risk of loss of capital. The General Partner moderates this risk via careful selection and recommendation by the Investment Manager to the Partnership and the Master Fund within the specified investment guidelines.

40 Financial risk management objectives and policies (Cont'd)

40.4 Market price risk (Cont'd)

The Group	2024 $'000	2023 $'000
Financial assets at FVOCI		
- Listed in Singapore	**4,676**	5,214
Financial assets at FVPL		
- Investment in limited partnership	**28,068**	36,320
Total equity securities	**32,744**	41,534

Sensitivity analysis for market price risk

The sensitivity analysis below has been determined based on the portfolio of quoted equity securities held by the Group and the Company as at the end of reporting period, if prices for equity securities listed in Singapore increase/decrease by 2% (2023 - 2%) with all other variables including tax rate being held constant throughout the reporting period. The magnitude represents management's assessment of the likely movement in the prices for equity securities under normal economic conditions.

Investments

	Increase/(Decrease)					
	2024			2023		
	Profit or loss $'000	**OCI $'000**	**Equity $'000**	Profit or loss $'000	OCI $'000	Equity $'000
The Group						
Prices for quoted equity investments						
- increased by 2% per annum	**–**	**94**	**94**	–	104	104
- decreased by 2% per annum	**–**	**(94)**	**(94)**	–	(104)	(104)
Prices for unquoted investment in limited partnership						
- increased by 2% per annum	**561**	**–**	**561**	726	–	726
- decreased by 2% per annum	**(561)**	**–**	**(561)**	(726)	–	(726)

40 Financial risk management objectives and policies (Cont'd)

40.5 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing only with:

- Customers of appropriate credit standing and history, and/or obtaining sufficient collateral where appropriate to mitigate credit risk; and

- High credit quality counterparties rated by external credit rating agencies.

The Group's and the Company's exposure to credit risk arise primarily from trade and other receivables, related parties' balances and cash placed with financial institutions. Cash is held with reputable financial institutions. For trade receivables, the Group and the Company adopt the policy of dealing only with customers of appropriate credit history or by obtaining sufficient collateral to mitigate risk. For other financial assets, the Group and the Company adopt the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure. There are no significant concentrations of credit other than advances to joint ventures, associated companies, non-controlling shareholders of subsidiaries, and inter-company balances which are eliminated upon consolidation.

As at 31 January 2024 and 2023, none of the counterparties, under trade receivables, individually exceed 5% of the Group's total assets.

For trade receivables and unbilled revenue from sale of development properties, the Group has policies in place to ensure that sales are made to purchasers with appropriate financial strength and after obtaining sufficient security such as deposits. If a purchaser defaults on payments, the Group may enforce payments via legal proceedings or if the purchaser is assessed to be insolvent, the Group may resume possession of the units, retain a portion of the purchaser's deposits from payments made to date, and resell the property. Unless the selling price falls by more than the portion of purchaser's deposits retained, which is remote, the Group would not be in a loss position in selling those properties.

For trade receivables from property investments, the Group typically collects deposits amounting to two to three months of the monthly lease rental. All late payments are monitored closely and followed up with active chasing or legal action if necessary. The Group also regularly reviews the recoverable amount of each individual trade receivable to ensure that adequate credit losses are made for irrecoverable amounts.

The Group's revenue from serviced apartments, hotel and restaurant operations is subject to immaterial credit loss and transactions are mainly settled through cash or credit card, which have a short collection period.

The Company carries out construction work for entities within the Group and for an associated company. There is insignificant expected credit loss on construction contracts.

As the Group and the Company do not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except for corporate guarantee provided by the Company to banks on subsidiaries' loans as disclosed in Note 43.2.

The Group monitors its potential losses on credit extended. The amounts presented in the statements of financial position are net of allowances for doubtful receivables.

40 Financial risk management objectives and policies (Cont'd)

40.5 Credit risk (Cont'd)

The Group's credit risk framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The tables below detail the credit quality of the Group's and the Company's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
The Group					
2024					
Trade receivables	(a)	Lifetime	**20,878**	**(199)**	**20,679**
Contract assets	(a)	Lifetime	**112,958**	**–**	**112,958**
Other receivables	Performing	12-month	**3,865**	**–**	**3,865**
2023					
Trade receivables	(a)	Lifetime	29,201	(177)	29,024
Contract assets	(a)	Lifetime	8,376	–	8,376
Other receivables	Performing	12-month	2,995	(44)	2,951

40 Financial risk management objectives and policies (Cont'd)

40.5 Credit risk (Cont'd)

	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
The Company					
2024					
Trade receivables	(a)	Lifetime	**7,119**	**–**	**7,119**
Contract assets	(a)	Lifetime	**5,586**	**–**	**5,586**
Other receivables	Performing	12-month	**1,485**	**–**	**1,485**
Amount owing by subsidiaries (non-trade)	(b)	12-month	**15,026**	**(11,954)**	**3,072**
2023					
Trade receivables	(a)	Lifetime	7,318	–	7,318
Contract assets	(a)	Lifetime	4,964	–	4,964
Other receivables	Performing	12-month	1,441	(44)	1,397
Amount owing by subsidiaries (non-trade)	(b)	12-month	13,582	(10,874)	2,708

Cash and cash equivalents, fixed deposits, other receivables and contract assets are subject to immaterial credit loss.

(a) *Trade receivables and contract assets*

For trade receivables and contract assets, the Group and the Company have applied the simplified approach and used a provision matrix to measure the lifetime expected credit loss allowance. In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work-in-progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group and the Company have therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets, except for credit-impaired receivables which has been impaired in full.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due and writes off the financial asset when a debtor fails to make contractual payments greater than 120 days past due.

Where receivables are written off, the Group and the Company continue to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

40 Financial risk management objectives and policies (Cont'd)

40.5 Credit risk (Cont'd)

(a) Trade receivables and contract assets (Cont'd)

The Group's and the Company's credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 as at 31 January 2024 and 2023 are set out as follows:

	Trade receivables						Contract assets	
	Current $'000	< 30 days $'000	31 - 60 days $'000	61 - 90 days $'000	91 - 120 days $'000	> 120 days $'000	Current $'000	Total $'000
The Group								
2024								
ECL rate (%)	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**26.5%**	**0.0%**	
Estimated total gross carrying amount at default ($)	**1,818**	**18,053**	**146**	**30**	**81**	**750**	**112,958**	**133,836**
Lifetime ECL ($)	**–**	**–**	**–**	**–**	**–**	**199**	**–**	**199**
2023								
ECL rate (%)	0.0%	0.0%	6.3%	2.3%	31.8%	12.8%	0.0%	
Estimated total gross carrying amount at default ($)	3,070	24,673	63	87	22	1,286	8,376	37,577
Lifetime ECL ($)	–	–	4	2	7	164	–	177
The Company								
2024								
ECL rate (%)	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	
Estimated total gross carrying amount at default ($)	**6,569**	**–**	**–**	**–**	**–**	**550**	**5,586**	**12,705**
Lifetime ECL ($)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2023								
ECL rate (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Estimated total gross carrying amount at default ($)	7,318	–	–	–	–	–	4,964	12,282
Lifetime ECL ($)	–	–	–	–	–	–	–	–

40 Financial risk management objectives and policies (Cont'd)

40.5 Credit risk (Cont'd)

(b) *Other receivables and amount owing by subsidiaries*

For other receivables and amount owing by subsidiaries, management has considered, among other factors (including forward-looking information), the Group's and Company's historical loss pattern over the last three financial years to assess the expected credit loss.

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical payment experience and the corresponding historical credit loss rates, and adjusted for forward-looking macroeconomic factors.

These financial assets are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about events, including but not limited to significant financial difficulty of the borrower or a breach of contract, such as a default or past due event.

(c) *Financial guarantees*

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have the financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

The maximum exposure of the Company in respect of its intra-group financial guarantees (Note 43.2) at the reporting date as if the facilities are drawn down up to the amount of $771,700,000 (2023 - $721,526,000). At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees.

41 Fair value measurement

(i) Definition of fair value

SFRS(I)s define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(ii) Non-financial assets and liabilities

(a) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

41 Fair value measurement (Cont'd)

(ii) Non-financial assets and liabilities (Cont'd)

(a) *Fair value hierarchy (Cont'd)*

Other than as disclosed elsewhere in these financial statements, the carrying amounts and fair values of non-financial assets and liabilities, including their fair value hierarchy level, are set out below:

	2024			2023		
	Carrying amount $'000	**Fair value $'000**	**Fair value hierarchy**	Carrying amount $'000	Fair value $'000	Fair value hierarchy
The Group						
Investment properties:						
Retail units	**243,868**	**374,300**	**Level 3**	246,688	373,200	Level 3
Commercial units	**45,192**	**49,870**	**Level 3**	46,026	49,870	Level 3
Office units	**894**	**5,139**	**Level 3**	–	–	–
Property, plant and equipment:						
Hotel	**29,586**	**81,080**	**Level 3**	28,379	85,640	Level 3
Serviced apartments	**256,307**	**414,530**	**Level 3**	261,823	404,630	Level 3
Office units	**3,659**	**20,423**	**Level 3**	6,246	23,306	Level 3
The Company						
Property, plant and equipment:						
Office units	**2,585**	**12,518**	**Level 3**	2,727	11,231	Level 3

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers into or out of fair value hierarchy levels for the financial years ended 31 January 2024 and 2023.

41 Fair value measurement (Cont'd)

(ii) Non-financial assets and liabilities (Cont'd)

(b) Valuation inputs and relationship to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in the Level 3 fair value measurements.

Valuation method	Key unobservable inputs	Retail units	Commercial units	Hotel	Serviced apartments	Office units	Inter-relationship between key unobservable inputs and fair value measurement
Income Capitalisation Method	Capitalisation rate						
	2024	**4.5%**	**4.4%**	**5.5%**	**3.0% – 3.3%**	**–**	Higher the capitalisation rate,
	2023	4.0%	3.3%	5.0%	3.3%	–	lower the fair value
	Occupancy rate						
	2024	**98.5%**	**98.5%**	**73.3%**	**87.0% to 91.0%**	**–**	Higher the occupancy rate,
	2023	97.0%	97.0%	54.0%	85.0% to 90.0%	–	higher the fair value
Discounted Cash Flow Method	Discount rate						
	2024	**–**	**–**	**8.0%**	**–**	**–**	Higher the discount rate,
	2023	–	–	6.5% to 7.0%	–	–	lower the fair value
	Terminal yield rate						
	2024	**–**	**–**	**5.5%**	**–**	**–**	Higher the terminal yield rate,
	2023	–	–	5.0% to 5.5%	–	–	lower the fair value
	Occupancy rate						
	2024	**–**	**–**	**73.3%**	**–**	**–**	Higher the occupancy rate,
	2023	–	–	54.0%	–	–	higher the fair value
Direct Comparison Method	Transacted price of comparable properties (psm)						
	2024	**$29,352 to $30,682**	**$17,742 to $53,824**	**–**	**–**	**$18,837 to $37,500**	Higher the transacted price of comparable properties, higher the fair value
	2023	$36,385 to $50,339	$23,998 to $50,322	–	$19,547 to $22,803	$19,704 to $21,559	

41 Fair value measurement (Cont'd)

(ii) Non-financial assets and liabilities (Cont'd)

(c) *Valuation techniques used to determine Level 3 fair values for properties*

The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used. Level 3 fair value of the Group's certain properties were derived using Income Capitalisation Method, Discounted Cash Flow ("DCF") Method and Direct Comparison Method.

The Income Capitalisation Method capitalises an income stream into a present value using single-year capitalisation rates. The DCF Method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. In Direct Comparison Method, properties are valued using transacted prices for comparable properties in the vicinity and elsewhere with necessary adjustments made for differences in location, tenure, size, design, layout, age and condition of the buildings, availability of car parking facilities, dates of transactions and the prevailing market conditions. The most significant input to the valuation approach would be the adopted value per square metre.

(d) *Valuation processes*

The Group engages external, independent and qualified valuers to determine the fair value of certain properties at the end of every financial year based on the properties' highest-and-best use. The fair values of these properties have been determined by Knight Frank Pte. Ltd. (2023 - Savills Valuation & Professional Services (S) Pte. Ltd.) as at 31 January 2024.

For other properties, the finance department of the Group reviews the valuations of assets required for financial reporting purposes, including Level 2 and Level 3 fair values. This team reports directly to the Chief Financial Officer ("CFO"). Discussions of valuation processes and results are held between the CFO, the finance team and management's experts at least annually.

At each financial year end, the finance department:

- verifies all major inputs to the independent valuation reports and internal assessments;
- assesses valuation movements compared to the prior year valuations; and
- holds discussions with the independent valuer.

Changes in Level 2 and 3 fair values are analysed at each reporting date during the annual valuation discussions between the CFO and the finance team.

41 Fair value measurement (Cont'd)

(iii) Financial assets and liabilities

(a) *Fair value hierarchy*

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 January 2024 and 2023:

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000
2024			
Assets			
Financial assets at FVPL - Unquoted equity investments	**–**	**–**	**28,068**
Financial assets at FVOCI - Quoted equity investments	**4,676**	**–**	**–**
2023			
Assets			
Financial assets at FVPL - Unquoted equity investments	–	–	36,320
Financial assets at FVOCI - Quoted equity investments	5,214	–	–

(b) *Valuation techniques used to determine Level 1 fair values for financial assets at FVOCI*

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of reporting period. The quoted market price used for financial assets at FVOCI held by the Group is the current bid price. These instruments are included in Level 1.

(c) *Valuation techniques used to determine Level 3 fair values for financial assets at FVPL*

As at 31 January 2024 and 2023, the whole of the Group's financial assets at FVPL comprises investment in a limited partnership that has been fair valued in accordance with the estimates disclosed in Note 2(d)(ii). The fair value of the partnership is determined based on its latest audited financial statements as of 31 December 2023 and 2022.

The partnership will invest in the Master Fund whose valuation is mainly based on the net assets of the Fund. The Master Fund's investments in commercial real estate assets are measured at fair value. The Master Fund is not publicly traded.

41 Fair value measurement (Cont'd)

(iii) Financial assets and liabilities (Cont'd)

The following table shows the valuation techniques used in measuring Level 3 fair values of equity investment at fair value through profit or loss, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The fair value is calculated using the net asset value of the partnership, adjusted for the fair values of assets and liabilities, where applicable.	Fair value of commercial real estate assets	The estimated fair value would increase/decrease if the fair values of commercial real estate assets increase/decrease.

There were no transfers into or out of fair value hierarchy levels for financial years ended 31 January 2024 and 2023.

(iv) Financial instruments that are not carried at fair value and whose carrying amount are reasonable approximation of fair value

The carrying amounts of cash and short-term deposits, current trade and other receivables, non-trade amount owing to joint ventures, provision for directors' fee, current trade and other payables and current bank loans based on their notional amounts, reasonably approximate their fair values due to their short-term nature.

The carrying amounts of non-current bank loans approximate fair values as their interest rates approximate the market lending rate and they are repriced frequently. For non-current payables and receivables, their fair values are not significantly different from their carrying amount.

42 Financial instruments

Accounting classifications of financial assets and financial liabilities

The carrying amount of the different categories of financial instruments are as follows:

The Group	**2024 $'000**	2023 $'000
Financial assets at FVOCI	**4,676**	5,214
Financial assets at FVPL	**28,068**	36,320
Cash and cash equivalents	**71,212**	42,894
Fixed deposits	**12,441**	7,493
Trade and other receivables[(i)]	**24,544**	31,975
Financial assets at amortised cost	**108,197**	82,362
Amount owing to non-controlling shareholders of subsidiaries (non-trade)	**361**	1,256
Provision for directors' fee	**215**	215
Borrowings	**547,446**	624,319
Trade and other payables[(ii)]	**35,809**	30,378
Financial liabilities at amortised cost	**583,831**	656,168

The Company	**2024 $'000**	2023 $'000
Cash and cash equivalents	**39,289**	3,662
Amount owing by subsidiaries (non-trade)	**3,072**	2,708
Trade and other receivables[(i)]	**8,604**	8,715
Financial assets at amortised cost	**50,965**	15,085
Amount owing to subsidiaries (non-trade)	**11,140**	10,012
Provision for directors' fee	**215**	215
Borrowings	**2,354**	20,601
Trade and other payables[(ii)]	**24,051**	17,626
Financial liabilities at amortised cost	**37,760**	48,454

(i) This excludes GST receivable and prepayment.

(ii) This excludes GST payable, advanced payments received from customers and deferred income.

43 Commitments

43.1 Capital commitments

Capital commitments contracted for at the reporting date but not recognised in the financial statements, excluding those relating to investments in joint ventures (Note 12) and investments in associated companies (Note 13) are as follows:

The Group	**2024** **$'000**	2023 $'000
Capital commitments contracted but not provided for in the financial statements	**60,051**	93,469

The capital commitments principally relate to:

- Consultancy, architectural services and construction cost for the proposed development of 71 Cairnhill Road by Glopeak Development Pte. Ltd. of $55,717,000 (2023 - $88,031,000); and

- Fund Partnership commitment by Glocity Capital Pte. Ltd. as limited partner totalling $4,334,000 (2023 - $5,438,000) (Note 5).

43.2 Other commitments

Financial guarantees

The Company has provided financial guarantees to banks for credit facilities totalling $771,700,000 (2023 - $721,526,000) granted to certain subsidiaries. As at the reporting date, the banking facilities utilised stood at $588,560,000 (2023 - $648,586,000), as disclosed in Note 40.3.

At the reporting date, the Company does not consider that it is probable that a claim will be made against the Company under the financial guarantees. Accordingly, the Company does not expect any net cash outflows resulting from the financial guarantees.

44 Capital management

The Group's objectives when managing capital are:

(a) to safeguard the Group's ability to continue as going concern;

(b) to support the Group's stability and growth;

(c) to provide capital for the purpose of strengthening the Group's risk management capability; and

(d) to provide adequate returns to shareholders.

44 Capital management (Cont'd)

The Group actively and regularly reviews and manages its capital structure to ensure adequate liquidity. This takes considers the capital requirements of the Group, expected profitability, projected cash flows, capital expenditures and future investment opportunities. The Group do not adopt any formal dividend policy.

The Group monitors capital risk through measuring the Group's net gearing, calculated as net borrowings divided by equity. Net borrowings are calculated as total borrowings, less cash and cash equivalents and fixed deposits. Equity includes all capital and reserves of the Group that are managed as capital.

The Group	Note	**2024 $'000**	2023 $'000
Borrowings	21	**547,446**	624,319
		547,446	624,319
Less:			
Cash and cash equivalents	3	**(71,212)**	(42,894)
Fixed deposits	4	**(12,441)**	(7,493)
Net borrowings	(i)	**463,793**	573,932
Equity	(ii)	**609,721**	622,414
Gearing ratio	(i)/(ii)	**0.76**	0.92

The Group has observed its financial covenant obligations under its banking facilities, which includes maintaining gearing ratios within a set range. At the end of the reporting period, there is no breach of loan covenants at the Group and its subsidiaries.

There were no changes in the Group's and Company's approach to capital management during the financial year ended 31 January 2024.

The Group and the Company are not subject to externally imposed capital requirements, other than as disclosed in Note 21.

45 Comparative figures

Consolidated statement of profit or loss

Certain reclassifications have been made to the prior year's financial statements to enhance the comparability with the current year financial statements to separate non-core expenses and income such as fair value losses or gains, unrealised foreign exchange movements and other non-recurring events, which include impairment of investments and one-off gains or losses on disposals of significant assets. This presentation provides more financial clarity on the Group's core performance.

As a result of the above, certain line items have been reclassified in the consolidated statement of profit or loss.

Consolidated statement of profit or loss	As previously reported, 31 January 2023 $'000	Reclassifications $'000	As restated, 31 January 2023 $'000
Other income/Other operating income	10,216	(7,454)	2,762
Other operating expenses	(28,825)	27,365	(1,460)
Fair value loss on financial assets at FVPL	–	(1,156)	(1,156)
Other losses, net	–	(18,755)	(18,755)

Consolidated statement of cash flows

In the previous financial year, unrealised foreign exchange losses from financial assets at FVPL was classified under movements in operating receivables and payables, instead of a separate non-cash item.

As a result of the above, certain line items have been reclassified in the consolidated statement of cash flows.

Consolidated statement of cash flows	As previously reported, 31 January 2023 $'000	Reclassifications $'000	As restated, 31 January 2023 $'000
Unrealised foreign exchange losses from financial assets at FVPL	–	1,857	1,857
Operating profit before working capital changes	18,859	1,857	20,716
Increase in operating receivables	(19,672)	(1,373)	(21,045)
Increase in operating payables	10,271	(484)	9,787

STATISTICS OF SHAREHOLDINGS

As at 22 April 2024

SHARE CAPITAL INFORMATION

Issued and Fully Paid-Up Capital	:	S$162,151,305
Number of Issued Shares	:	738,816,000
Number of Treasury Shares	:	Nil
Class of shares	:	Ordinary share
Voting rights	:	One vote per share

Size of Holdings	No. of shareholders	% of shareholders	No. of shares	% of shares
1 - 99	12	0.49	375	0.00
100 - 1,000	74	3.01	41,721	0.01
1,001 - 10,000	980	39.80	6,075,789	0.82
10,001 - 1,000,000	1,364	55.40	93,208,204	12.61
1,000,001 and above	32	1.30	639,489,911	86.56
GRAND TOTAL	2,462	100.00	738,816,000	100.00

TOP 20 LARGEST SHAREHOLDERS AS AT 22 APRIL 2024

No	Name	No. of shares	%
1	UNITED OVERSEAS BANK NOMINEES P L	396,813,245	53.71
2	EST OF LOW KENG HOO @ LAU KEENG FOO, DEC’D	52,889,946	7.16
3	LOW KENG BOON @ LAU BOON SEN	52,773,806	7.14
4	LAU CHOY LAY	23,000,000	3.11
5	DBS NOMINEES PTE LTD	13,461,500	1.82
6	LOW CHIN HAN	10,000,000	1.35
7	RAFFLES NOMINEES(PTE) LIMITED	8,328,300	1.13
8	ANGELA LOW SEOK FUN	7,000,000	0.95
9	LOW SEOK LING MONICA	7,000,000	0.95
10	CITIBANK NOMS SPORE PTE LTD	6,604,000	0.89
11	CGS INTL SECURITIES SINGAPORE PL	5,800,400	0.79
12	PHILLIP SECURITIES PTE LTD	5,578,914	0.75
13	LIM AND TAN SECURITIES PTE LTD	4,485,200	0.61
14	LEE CHO SENG @ LEE CHOO SEONG	4,219,900	0.57
15	DBS VICKERS SECURITIES (S) PTE LTD	4,208,200	0.57
16	OCBC SECURITIES PRIVATE LTD	3,596,600	0.49
17	MAYBANK SECURITIES PTE. LTD.	3,440,000	0.47
18	LIM BOK HOO	3,374,600	0.46
19	TAN HUA TOCK	3,251,600	0.44
20	CHIAM HOCK POH	2,970,300	0.40
	TOTAL	618,796,511	83.76

STATISTICS OF SHAREHOLDINGS

As at 22 April 2024

SUBSTANTIAL SHAREHOLDERS AS AT 22 APRIL 2024

	No. of shares fully paid		
Name of Substantial Shareholder	Direct Interest	Deemed Interest	Total
Consistent Record Sdn Bhd	–	395,194,345	395,194,345
Seah Soh Seng	–	395,194,345	395,194,345
Dato' Marco Low Peng Kiat	300,000	399,945,345	400,245,345
Low Keng Boon @ Lau Boon Sen	52,773,806	23,000,000	75,773,806
Est of Low Keng Hoo @ Low Keeng Foo, Dec'd	52,889,946	–	52,889,946

Seah Soh Seng is deemed to be interested in the 395,194,345 shares held by United Overseas Bank Nominees (Private) Limited ("UOBNPL") for Consistent Record Sdn Bhd ("CRSB") as trustee for her minor grandsons.

Dato' Marco Low Peng Kiat and a trust for his minor sons jointly hold all the shares in CRSB. He is deemed to be interested in the 395,194,345 shares held by UOBNPL for account of CRSB, 2,751,000 shares held by Maybank Securities Pte. Ltd., and 2,000,000 shares held by Raffles Nominees (Pte) Limited for his own account.

Low Keng Boon @ Lau Boon Sen is deemed to be interested in the 23,000,000 shares held by his spouse.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

Based on information available to the Company as at 22 April 2024, approximately 23.44% of the issued ordinary shares of the Company are held in the hands of the public. This is in compliance with Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited.

NOTICE OF FIFTY-FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Fifth (**55th**) Annual General Meeting ("**AGM**") of Low Keng Huat (Singapore) Limited (the "**Company**") will be convened and held at Grand Mercure Singapore Roxy, Brooke, Meyer & Frankel Room, Level 3, 50 East Coast Road, Marine Parade Road, Singapore 428769, on **Friday, 31 May 2024 at 11.00 a.m.** for the purpose of considering and, if thought fit, passing the following resolutions:

AS ORDINARY BUSINESS

1.	To receive and adopt the Directors' Statement, Auditor's Report and Audited Financial Statements for the financial year ended 31 January 2024.	**Resolution 1**
2.	To declare a first and final one-tier tax-exempt dividend of 1.5 cents per ordinary share for the financial year ended 31 January 2024.	**Resolution 2**
3.	To re-elect Dato' Marco Low Peng Kiat, a Director retiring under regulation 88 of the Constitution of the Company. *(Refer to explanatory note (i) provided)*	**Resolution 3**
4.	To re-elect Mr. Cheo Chai Hong, a Director retiring under regulation 88 of the Constitution of the Company. *(Refer to explanatory note (ii) provided)*	**Resolution 4**
5.	To re-elect Mr. Jason Eng, a Director retiring under regulation 87 of the Constitution of the Company. *(Refer to explanatory note (iii) provided)*	**Resolution 5**
6.	To approve the payment of Directors' fees of S$215,000 for the financial year ended 31 January 2024 (2023: S$215,000).	**Resolution 6**
7.	To re-appoint Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.	**Resolution 7**
8.	To note that Mr. Jimmy Yim Wing Kuen will be retiring pursuant to regulation 88 of the Company's Constitution and he will not be seeking for re-election at this AGM. *(Refer to explanatory note (iv) provided)*	

AS SPECIAL BUSINESS

9.	To consider and, if thought fit, to pass the following as an ordinary resolution, with or without any modifications: *(Refer to explanatory note (v) provided)*	**Resolution 8**

Authority to issue shares and/or convertible securities

That pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Listing Manual**"), authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares;

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that: -

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent (20%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below;

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

ANY OTHER BUSINESS

10. To transact any other business that may be transacted at an AGM.

By Order of the Board

Alvin Tan Teck Loon
Company Secretary

Singapore
Monday, 13 May 2024

Explanatory Notes of the Resolutions to be proposed at the AGM:-

(i) Ordinary Resolution 3

Dato' Marco Low Peng Kiat will, upon being re-elected as Director of the Company, continue in office as Managing Director and will remain as member of the Nominating Committee and Remuneration Committee. Detailed information on Dato' Marco Low Peng Kiat can be found under "Additional Information on Directors Seeking Re-election" section in the Company's Annual Report 2023/2024.

(ii) Ordinary Resolution 4

Mr. Cheo Chai Hong will, upon being re-elected as Director of the Company, be redesignated as Lead Independent Director, Chairman of the Audit Committee, and a member of the Nominating Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual. Detailed information on Mr. Cheo Chai Hong can be found under "Additional Information on Directors Seeking Re-election" section in the Company's Annual Report 2023/2024.

(iii) Ordinary Resolution 5

Mr. Jason Eng will, upon being re-elected as Director of the Company, continue in office as Independent Director and will be appointed as a member of the Audit Committee and Remuneration Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual. Detailed information on Mr. Jason Eng can be found under "Additional Information on Directors Seeking Re-election" section in the Company's Annual Report 2023/2024.

(iv) To be in line with Rule 210(5)(d)(iv) of the Listing Manual and to facilitate Board renewal in the Company, Mr. Jimmy Yim Wing Kuen will retire as Lead Independent, Non-Executive Director of the Company at the conclusion of the AGM. Upon his retirement, he will also relinquish his role as Chairman of the Audit Committee, and member of the Nominating Committee and Remuneration Committee.

(v) Ordinary Resolution 8

The ordinary resolution is to authorise the Directors to issue shares and convertible securities in the Company. This issuance is limited to an aggregate amount not exceeding **50%** of the total number of issued shares, excluding treasury shares and subsidiary holdings of the Company. Of this total, shares and convertible securities issued, other than on a pro-rata basis to existing shareholders, shall not exceed **20%** of the total number of issued shares, excluding treasury shares and subsidiary holdings, at the time the resolution is passed. The purpose of this authorisation is to serve the best interests of the Company.

The total number of issued shares for this purpose is calculated by considering the number of issued shares, excluding treasury shares and subsidiary holdings, at the time this resolution is passed. It is adjusted for new shares resulting from the conversion of convertible securities or employee share options in effect at the time this resolution and any subsequent bonus issues, consolidations, or subdivisions of shares.

This authority will remain in effect until the next AGM of the Company unless it is revoked or amended at a general meeting.

NOTES:

General

1. The **55th** AGM of the Company will be held in a wholly physical format, at Grand Mercure Singapore Roxy, Brooke, Meyer & Frankel Room, Level 3, 50 East Coast Road, Marine Parade Road, Singapore 428769, on Friday, 31 May 2024 at 11.00 a.m. **There will be no option to participate virtually.**

2. Printed copies of this Notice of AGM, accompanying Proxy Form and the Request Form for a printed copy of the Annual Report will be dispatched by post to members of the Company. These documents will also be published on the Company's website at the URL https://www.lkhs.com.sg; and the SGX website at https://www.sgx.com/securities/company-announcements.

Register in person to attend the AGM

3. Members and (where applicable) duly appointed proxies can attend the AGM in person. To do so, they will need to register in person at the registration counter(s) outside the AGM venue on the day of the event. Every attendee is required to bring his or her NRIC or passport to enable the Company to verify his or her identity. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately.

Submission of proxies

4. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's Proxy Form appoints two proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. The number and class of shares in relation to each proxy shall be specified in the Proxy Form.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

5. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the AGM as his/her/its proxy.

6. The Proxy Form must be submitted to the Company in the following manner:

   (a) depositing it at or sending by post to the registered office of the Company at 80 Marine Parade Road, #18-05/09 Parkway Parade, Singapore 449269, or

   (b) via email to proxyform@lkhs.com.sg,

   in each case, must be lodged or received (as the case may be) by 11.00 a.m. on 28 May 2024, being at least seventy-two (72) hours before the time appointed for holding the AGM. Any incomplete and incorrect Proxy Form will be rejected by the Company.

7. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

8. In the case of members whose shares are entered against their names in the Depository Register (as defined in Part 3AA of the Securities and Futures Act 2001 of Singapore), the Company may reject the Proxy Form submitted if such members' names do not appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM.

9. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his/her votes at the Annual General Meeting in person if appointed as proxy of his/her CPF Agent Banks and/or SRS Operators. If the CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their respective CPF Agent Banks and SRS Operators to appoint the Chairman of the Meeting to act as their proxy.

Submission of questions

10. Members, CPF Investors and SRS Investors may submit substantial and relevant questions related to the Resolutions to be tabled for approval at the AGM in advance of the AGM via email to agm2024@lkhs.com.sg.

    When submitting questions, members must provide the following details for verification purposes:

    (i) full name as it appears on your CDP/CPF/SRS/scrip share records;
    (ii) address;
    (iii) number of shares held; and
    (iv) the manner in which the shares are held (e.g., via CDP, CPF/SRS and/or scrip).

    All questions submitted in advance must reach the Company by 11:00 a.m. on 21 May 2024 (the "**prescribed deadline**").

11. The Company will address all substantial and relevant questions received by the prescribed deadline by publishing its responses to such questions on the websites of the Company and SGXNet at least 48 hours prior to the closing of receipt of proxy forms.

    The Company will respond to questions or follow-up questions submitted after the prescribed deadline either within a reasonable timeframe before the AGM, or at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

    Members, CPF/SRS investors, and (where applicable) duly appointed proxies and representatives can also ask substantial and relevant questions related to the Resolutions at the AGM itself.

Minutes of Annual General Meeting

12. The minutes of the AGM together with the responses to the substantial and relevant questions by the shareholders which were not answered and announced, will be posted on the Company's and SGX websites within one month after the date of the AGM.

Personal Data Privacy:

By submitting the Proxy Form, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) for the Purposes, and (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Dato' Marco Low Peng Kiat	Cheo Chai Hong	Jason Eng
Date of appointment	7 November 2006	7 December 2018	27 March 2024
Date of last re-appointment	31 May 2021	31 May 2022	–
Age	51	71	46
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria and the search and nomination process)	The re-election of Dato' Marco Low Peng Kiat as a Director of the Company at the AGM 2024 was recommended by the Nominating Committee and approved by the Board after taking into consideration his overall contributions, expertise, and past experiences.	The re-election of Mr. Cheo Chai Hong as a Director of the Company at the AGM 2024 was recommended by the Nominating Committee and approved by the Board after taking into consideration his overall contributions, expertise, and past experiences.	The re-election of Mr. Jason Eng as a Director of the Company at the AGM 2024 was recommended by the Nominating Committee and approved by the Board after taking into consideration his qualifications, and past experiences.
Whether the appointment is executive and if so, please state the area of responsibility	The appointment is executive. Dato' Marco Low Peng Kiat makes key decisions on the management and operations of the Group and is responsible for the conduct of the business and affairs of the Group.	Appointment is non-executive.	Appointment is non-executive.
Job title (e.g. Lead ID, AC Chairman, AC member, etc.)	• Managing Director • Member of Remuneration Committee • Member of Nominating Committee	• Independent Non-Executive Director • Chairman of Nominating Committee • Member of Audit Committee	• Independent Non-Executive Director

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Dato' Marco Low Peng Kiat	Cheo Chai Hong	Jason Eng
Professional memberships / qualifications	Bachelor of Science in Management & Systems from City University, England.	Bachelor of Business Administration (Hons) degree from University of Singapore.	• LLB (Second Upper Class Honors) from University College London • Graduate Diploma in Singapore Law (Merit) from National University of Singapore • Graduate Diploma in Financial Management from Singapore Institute of Management
Working experience and occupation(s) during the past 10 years	Dato' Marco Low Peng Kiat was appointed as a Non-Executive Director of LKHS in 2006 and joint Managing Director in 2011. He is also a director of Consistent Record Sdn. Bhd.	UOB, Managing Director, Group Credit	Dymon Asia Capital (Singapore) Pte Ltd, Partner; General Counsel and Chief Compliance Officer
Shareholding interest in the Company and its subsidiaries	Direct interest of 300,000 of shares, 0.04%. Deemed interest of 399,945,345 of shares, 54.1%.	None	None
Any relationship (including immediate family member relationships) with any existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	Mr. Low Keng Boon @ Lau Boon Sen, Executive Chairman is the uncle of Dato' Marco Low Peng Kiat. Mr. Low Poh Kuan, Executive Director is the cousin of Dato' Marco Low Peng Kiat.	None	None
Conflict of interest (including competing business)	None	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) submitted to the Company?	Yes	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Dato' Marco Low Peng Kiat	Cheo Chai Hong	Jason Eng
Other principal commitments including Directorships - Present	Various subsidiaries of the Company.	• The Anglo-Chinese Schools Foundation Ltd (Director) • ACS Old Boys Association (Member) • The Anglo-Chinese School (International) Singapore (Board of Management)	• Dymon Asia Capital (Singapore) Pte Ltd, (Partner; General Counsel and Chief Compliance Officer) • Dymon Asia (Malaysia) Sdn. Bhd. (Executive Director) • Dymon Asia Management Consulting (India) Private Limited (Executive Director) • Dymon Asia Capital Investment Advisor (India) Private Limited (Executive Director) • Delish Ltd (Executive Director) • Diamond GP Holdings Ltd. (Executive Director) • Factorie Ltd (Executive Director) • Jaidee Ltd. (Executive • Neuviu Medical Ltd. (Executive Director) • Ocular Ltd (Executive Director) • Tasik Puncak Holdings Ltd (Executive Director) • Top Pte. Ltd. (Executive Director) • Venus 2013 Ltd. (Executive Director) • Asia Consumer Electronics Limited (Executive Director)

Name of Director	Dato' Marco Low Peng Kiat	Cheo Chai Hong	Jason Eng
			• Asia Enviro Services Ltd (Executive Director) • Cahaya Bintang Holdings Ltd (Executive Director) • Cahaya Bintang Ltd (Executive Director) • Diamond GP Holdings II Ltd (Executive Director) • Ergonomix Ltd. (Executive Director) • Fairy Ltd (Executive Director) • Global Infra-Equipment Ltd (Executive Director) • Global Lifter Ltd. (Executive Director) • Hyperion Ventures Holdings Ltd. (Executive Director) • Ingenium Ltd (Executive Director) • Layar Aman Holdings Ltd (Executive Director) • Layar Tenang Ltd (Executive Director) • Magnetar Limited (Executive Director) • Meadow Ventures Holdings Ltd. (Executive Director) • Pristine Prism Ltd (Executive Director) • Stork Health Holdings Ltd. (Executive Director) • Arus Sejahtera Ltd (Executive Director)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Dato' Marco Low Peng Kiat	Cheo Chai Hong	Jason Eng
			• Awan Tenang Ltd (Executive Director) • Concordia United Ltd (Executive Director) • Diamond GP Holdings III Ltd (Executive Director) • Neutron Edu Holdings Ltd. (f.k.a. Global Hijauan Group Ltd.) (Executive Director) • Neutron Education Holdings Ltd. (f.k.a. Global Hijauan Holdings Ltd.) (Executive Director) • Satit Pte Ltd (Executive Director) • Tiara Holdings Ltd (Executive Director) • Trinity Ventures Holdings Ltd (Executive Director) • Sinaran Aman Holdings Ltd (Executive Director)
- Past (for the last 5 years)	Nil	• UOB Asset Management • UOB International Investment Pte Ltd	• Voda Ltd • Aleph Tav Ltd • Emet Grace Ltd • NewMedCo Group Ltd • Digileap Capital Limited • Hanaan Health Group Ltd • Delikatessen Ltd
Responses to questions (a) to (k) under Appendix 7.4.1 of the Listing Manual of SGX-ST	Negative Confirmation	Negative Confirmation	Negative Confirmation

LOW KENG HUAT (SINGAPORE) LIMITED

Company Registration No. 196900209G
(Incorporated in the Republic of Singapore)

IMPORTANT

1. The Proxy Form is not valid for use by investors who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), including CPF/SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors who wish to appoint the Chairman as proxy to attend, speak and vote on their behalf should approach their respective CPF Agent Banks and SRS Operators. Other investors holding shares in the Company through relevant intermediaries who wish to vote should approach their relevant intermediaries as soon as possible to specify voting instructions.
2. Personal Data Privacy: By submitting the Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 May 2024.

PROXY FORM

Annual General Meeting (AGM)

*I/We ______________________ (Name) ______________________ (NRIC / Passport / Co. Reg. No.)

of ____ (Address)

being a *member/members of Low Keng Huat (Singapore) Limited (the “Company”) hereby appoint:

Name	Address	NRIC / Passport Number	Proportion of Shareholdings	
			No. of Shares	%
* and / or (delete as appropriate)				

as *my/our *proxy/proxies to attend, speak and vote for *my/our behalf at the AGM of the Company to be held at **Grand Mercure Singapore Roxy, Brooke, Meyer & Frankel Room, Level 3, 50 East Coast Road, Marine Parade Road, Singapore 428769** on **Friday, 31 May 2024** at **11.00 a.m.** or any adjournment thereof in the manner hereinafter.

* Delete where applicable

Resolutions relating to:		For**	Against**	Abstain**
No.	**(A) Ordinary Business**			
1.	To receive and adopt the Directors’ Statement, Auditors’ Report and Audited Financial Statements for the financial year ended 31 January 2024.			
2.	To declare a first and final one-tier tax-exempt dividend of 1.5 cents per ordinary share for the financial year ended 31 January 2024.			
3.	To re-elect Dato’ Marco Low Peng Kiat, a Director retiring under regulation 88 of the Constitution of the Company.			
4.	To re-elect Mr. Cheo Chai Hong, a Director retiring under regulation 88 of the Constitution of the Company.			
5.	To re-elect Mr. Jason Eng, a Director retiring under regulation 87 of the Constitution of the Company.			
6.	To approve the payment of Directors’ fees of S$215,000 for the financial year ended 31 January 2024.			
7.	To re-appoint Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
	(B) Special Business			
8.	To authorise the Directors to issue shares pursuant to Section 161 of the Companies Act and Rule 806(2) of the Listing Manual.			

** Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes “For” or “Against” a resolution, or to “Abstain” from voting on a resolution, please indicate with a tick (✓) in the appropriate box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the appropriate box provided in respect of that resolution.

If you have appointed the Chairman as the proxy, in the absence of specific directions in respect of a resolution, the appointment of the Chairman as your proxy for that resolution will be treated as invalid. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deems fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the AGM.

Dated this ________ day of ______________ 2024

Total number of shares held in:	Number of shares
(a) CDP Depository Register	
(b) Register of Members	

____
Signature / Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THE PROXY FORM

Notes:

1. A member should insert the total number of shares held. If the member has shares entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she should insert that number of shares.

If the member has shares registered in his/her name in the Register of Members of the Company, he/she should insert that number of shares.

If the member has shares entered against his/her name in the Depository Register and shares registered in his/her name in the Register of Members of the Company, he/she should insert the aggregate number of shares.

If no number of shares is inserted, this Proxy Form will be deemed to relate to all the shares held by the member of the Company.

2. The AGM of the Company will be held, in a wholly physical format, at Grand Mercure Singapore Roxy**,** Brooke, Meyer & Frankel Room, Level 3, 50 East Coast Road, Marine Parade Road, Singapore 428769, on Friday, 31 May 2024 at 11.00 a.m. Members who wish to vote on the resolutions may vote at the AGM or by appointing proxy(ies) to attend, speak and vote at the AGM on their behalf. A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

3. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

4. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

5. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the AGM as his/her/its proxy.

6. The Proxy Form must be submitted to the Company in the following manner:

(a) depositing it at or sending by post to the Registered Office of the Company at 80 Marine Parade Road, #18-05/09 Parkway Parade, Singapore 449269; or

(b) via email to proxyform@lkhs.com.sg

in each case, must be lodged or received (as the case may be) by **11.00 a.m. on Tuesday, 28 May 2024**, being at least seventy-two (72) hours before the time appointed for holding the AGM.

7. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where a Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, or if the Proxy Form is submitted electronically via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.

8. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company shall be entitled to reject any Proxy Form lodged if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Company.

LOW KENG HUAT (SINGAPORE) LIMITED

(Registration No.: 196900209G)

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Singapore 449269
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Fax: +65 6345 7841
https://www.lkhs.com.sg

FSC
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Paper | Supporting responsible forestry
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